[Roll No. 462]

YEAS—215

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Bunning
Burr
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Christensen
Coble
Collins
Combest
Cook
Cooksey
Cox
Crane
Crapo
Cunningham
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Foley
Forbes
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Graham
Granger
Greenwood
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lucas
Manzullo
McCarthy (NY)
McCollum
McCrery
McHugh
McInnis
McKeon
Metcalf
Mica
Miller (FL)
Moran (KS)
Myrick
Nethercutt
Ney
Northup
Nussle
Oxley
Packard
Pappas
Parker
Paxon
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Quinn
Radanovich
Ramstad
Redmond
Regula
Riggs
Riley
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Salmon
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowbarger
Solomon
Souder
Spence
Stearns
Stump
Sununu
Talent
Tauzin
Taylor (NC)
Thomas
Thune
Tiahrt
Traficant
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NAYS—208

Abercrombie
Ackerman
Allen
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Capps
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Coburn
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gonzalez
Goode
Gordon
Green
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McDermott
McGovern
McHale
McIntosh
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Mollohan
Moran (VA)
Morella
Murtha
Nadler
Neal
Neumann
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pickett
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Schumer
Scott
Serrano
Sherman
Sisisky
Skaggs
Skelton
Slaughter
Smith, Adam
Smith, Linda
Snyder
Spratt
Stabenow
Stark
Stenholm
Stokes
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson
Thurman
Tierney
Torres
Towns
Turner
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Wexler
Weygand
Wise
Woolsey
Wynn
Yates

NOT VOTING—11

Burton
Cubin
Goss
Kennelly
McDade
Meeks (NY)
Moakley
Norwood
Paul
Pryce (OH)
Thornberry

□ 1106

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROTECT SOCIAL SECURITY ACCOUNT

Mr. ARCHER. Mr. Speaker, pursuant to House Resolution 552, I call up the bill (H.R. 4578) to amend the Social Security Act to establish the Protect Social Security Account into which the Secretary of the Treasury shall deposit budget surpluses until a reform measure is enacted to ensure the long-term solvency of the OASDI trust funds, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. QUINN). Pursuant to House Resolution 552, the bill is considered read for amendment.

The text of H.R. 4578 is as follows:

H.R. 4578

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ESTABLISHMENT OF SPECIAL RESERVE ACCOUNT.

Section 201 of the Social Security Act is amended by adding at the end the following new subsection:

''(n)(1) There is established within the Treasury a special reserve account to be known as the 'Protect Social Security Account' (hereinafter in this subsection referred to as the 'account'). The account shall be used to save budget surpluses until a reform measure is enacted to ensure the long-term solvency of the OASDI trust funds.

''(2) The Secretary of the Treasury shall pay into the account annually during the fiscal-year period beginning on October 1, 1997, and ending on September 30, 2008, amounts totalling, in the aggregate, 90 percent of the projected surplus (if any) in the total budget of the United States Government for that fiscal-year period.

''(3) Within 10 days after the date of enactment of this subsection, the Secretary of the Treasury, in consultation with the Director of the Office of Management and Budget, shall project the budget surplus (if any) for the total budget of the United States Government for the fiscal-year period beginning on October 1, 1997, and ending on September 30, 2008.

''(4) The Secretary of the Treasury shall invest the funds held in the account pending enactment of the reform measure referred to in paragraph (1). The purposes for which obligations of the United States may be issued under chapter 31 of title 31, United States Code, are hereby extended to authorize, in the manner provided in subsection (d), the issuance at par of public-debt obligations for purchase for the account. The interest on, and the proceeds from redemption of, any obligations held in the account shall be credited to and form a part of the account.

''(5) As used in this subsection, the term 'total budget of the United States Government' means all spending and receipt accounts of the United States Government that are designated as on-budget or off-budget accounts.''.

SEC. 2. EFFECTIVE DATE.

The amendment made by section 1 shall apply to fiscal years beginning on or after October 1, 1997.

The SPEAKER pro tempore. The amendment printed in the bill is adopted.

The text of H.R. 4578, as amended pursuant to House Resolution 552, is as follows:

H.R. 4578

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ESTABLISHMENT OF SPECIAL RESERVE ACCOUNT.

Section 201 of the Social Security Act is amended by adding at the end the following new subsection:

''(n)(1) There is established within the Treasury a special reserve account to be known as the 'Protect Social Security Account' (hereinafter in this subsection referred to as the 'account'). The account shall be used to save budget surpluses until a reform measure is enacted to ensure the long-term solvency of the OASDI trust funds.

''(2) The Secretary of the Treasury shall pay into the account annually at the end of each fiscal year during the fiscal-year period beginning on October 1, 1997, and ending on September 30, 2008, amounts totalling, in the aggregate, 90 percent of the projected surplus, if any, in the total budget of the United States Government for that fiscal-year period.

''(3) For purposes of determining budget surpluses under paragraph (2), within 10 days after the date of enactment of this subsection, the Secretary of the Treasury, in consultation with the Director of the Office of Management and Budget, shall project the budget surplus, if any, for the total budget of the United States Government for the fiscal-year period beginning on October 1, 1997, and ending on September 30, 2008.

''(4) The Secretary of the Treasury shall invest the funds held in the account pending enactment of the reform measure referred to in paragraph (1). The purposes for which obligations of the United States may be issued under chapter 31 of title 31, United States Code, are hereby extended to authorize, in the manner provided in subsection (d), the issuance at par of public-debt obligations for purchase for the account. The interest on, and the proceeds from redemption of, any obligations held in the account shall be credited to and form a part of the account.

''(5) As used in this subsection, the term 'total budget of the United States Government' means all spending and receipt accounts of the United States Government that are designated as on-budget or off-budget accounts.''.

SEC. 2. EFFECTIVE DATE.

The amendment made by section 1 shall apply to fiscal years beginning on or after October 1, 1997.

The SPEAKER pro tempore. After one hour of debate on the bill, as amended, it shall be in order to consider the further amendment printed in the CONGRESSIONAL RECORD numbered 1, which shall be considered read and debatable for one hour, equally divided and controlled by the proponent and an opponent.

The gentleman from Texas (Mr. ARCHER) and the gentleman from New York (Mr. RANGEL) each will control 30 minutes of debate on the bill.

The Chair recognizes the gentleman from Texas (Mr. ARCHER).

GENERAL LEAVE

Mr. ARCHER. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and include extraneous material on H.R. 4578.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today we consider a plan to set aside 90 percent of the surplus until we can save Social Security and use the remaining 10 percent to cut taxes now.

The plan we vote on establishes a special reserve account within the Treasury called the Protect Social Security Account. This account will save budget surpluses until a reform measure can be considered to ensure the long-term solvency of Social Security.

Ninety percent set aside, Mr. Speaker. Ninety percent of the surplus. The American people expect us to save Social Security, and they need tax relief. This plan gets the job done on both accounts.

We are committed to saving Social Security. We are also committed to letting people keep a part of the taxes that they have generated for this government by their work.

But, Mr. Speaker, I hear there is opposition to this plan from my friends on the other side of the aisle. Why would anyone oppose setting aside 90 percent of the surplus until Social Security can be saved? It is because they do not want to save the surplus. They want to spend the surplus. The Democrats do not want to use the surplus for Social Security. They want to use it to increase spending, expand the size of government, and grow bureaucracy. Under the Democrats' proposal, the very people who need help will be hurt. The Democrats are proposing to punish husbands and wives, farmers and ranchers, senior citizens and small businesses by denying them tax relief now. Why? So they can spend the taxpayers' money.

Earlier this year, President Clinton spent $2.9 billion of the surplus to help the people of Bosnia. Already this fall he is proposing to spend another $13 billion of the surplus on more government. Not to pay for it, not to offset it, but to simply increase government spending. When will this end? If we do not return a portion of the surplus to the people whose income taxes created this surplus, the politicians will spend it. They always have, and they always will. Make no mistake about it, we have a surplus only because of the increase in income taxes, not payroll taxes. We have a surplus instead of a deficit only because of the increase in income taxes, not an increase in payroll taxes.

Mr. Speaker, the best way to stop the politicians from spending the taxpayers' money is to take it away from them before they can waste it. We now have a chance to set aside enough money to save Social Security and to cut taxes. They are both important goals. They are both within our reach.

Now is not the time for anyone to say ''no'' to families who pay marriage penalties, farmers and ranchers who are suffering, and small business owners who create jobs. Now is not the time to say ''no'' to senior citizens whose Social Security checks are reduced because of an unfair earnings limit when they decide voluntarily they want to continue to work.

□ 1115

Now is the time to say yes to saving Social Security and cutting taxes, and our 90–10 plan does both. We can save Social Security and cut taxes. The job begins today with this vote.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield myself 5½ minutes.

(Mr. RANGEL asked and was given permission to revise and extend his remarks.)

Mr. RANGEL. Mr. Speaker, I may be wrong, but I thought I heard some sense of partisanship in the gentleman from Texas' presentation on this bill, and I am going to try to restrain myself and try to remind my Republican friends that things that they are talking about today are Democratic concepts. These are concepts that we Democrats have and continue to support. The only difference that separates us today is that we believe that until we have the fiscal discipline to abide by our budget rules that we should have the money to pay for these tax cuts before we cut the taxes.

Now I had thought, and probably my colleagues have had a caucus and changed their mind, but the last I heard from my Republican leadership friends was that they were running around the country pulling up the Tax Code by the core. They were pulling it up by the roots. They were saying that the system was too complicated. And they had the majority, and they had the opportunity to fix it, and they came back with a $300 billion bill, which we supported, that was far more complicated than any code the Democrats left them.

So let us forget all this talk about flat tax, consumer tax and retail tax. They should say that they would like to be realistic and deal with taxes that most of the people want. But they also have to let the senior citizens know that they have decided that the moneys that Americans have paid to make Social Security solvent, that they are only entitled to 90 percent of it because they have decided to take 10 percent of the money that provides the surplus that was basically there for survivors and widows and disabilities and Social Security to give a pre-election tax cut.

Now some people talk about Democrats and the leader of the free world, President Clinton, going into the surplus for emergencies. So what would they have it? That the farmers not get any assistance? Shall we tell our citizens in Puerto Rico that we are not going to help them? Are we going to say to our military, our boys and our girls in the military that are in Bosnia, that they are not going to be helped because we do not touch the surplus?

We are talking about a one-shot emergency as opposed to a permanent tax cut, as long as they are in the majority that is. And so let us wait and do what the President has asked and that is to say we support tax cuts, Republicans support the suggestions that the Democrats have. The only difference between the two is we say save Social Security first.

Now what is so remarkable about us coming back and in a bipartisan way going to the Social Security Trust Fund and making certain that actuarially it is going to be solvent, and then under the democratic rule it triggers, without us going into conference and without us going into debate, it triggers off the tax cuts, but what it does not do is violate the rules of fiscal responsibility.

So I do not know when the gentleman from Texas (Mr. ARCHER) talks about do not let the politicians touch it. My God, the politicians have to be those who have the majority. They are the ones that have their fingers in the cookie jar that the taxpayers put in the cookies for the Social Security Trust Fund.

So I do not know how many votes they have. I do not even understand the politics of their tax bill. All I know is this: that politically I do not see why their leadership would have them to vote for a bill that raids the Social Security system, that the Senate may

not even take up, that the President is going to veto and that they know in the bottom of their hearts they do not have the votes to override the veto. So if they want to go back home and be counted among those who cared more about a political advantage in November than preserving the funds for our seniors, they can do it, but it almost frightens me that we are about to lose the rule, because I truly believe, if we are going to show the difference between us and them, this is going to be the issue.

So I do not know how many votes they have for fast track, I do not know how many votes that they are going to have for Social Security, but I do believe that if we are going to save Social Security, do not put it in an accounting system and say we are not going to touch it, that we really take it out of the system, off budget, put it in the Federal Reserve, and then we would know not 90 percent but a hundred percent of the taxes are going to be used for what the taxpayers think it should be used for.

Mr. Speaker, I reserve the balance of my time.

Mr. ARCHER. Mr. Speaker, I yield 5 minutes to the gentleman from Kentucky (Mr. BUNNING), the chairman of the Subcommittee on Social Security, who is a sponsor of the base bill on which we are voting today. It is interesting to also note that the gentleman from New York (Mr. RANGEL) is a cosponsor of that bill.

(Mr. BUNNING asked and was given permission to revise and extend his remarks.)

Mr. BUNNING. Mr. Speaker, just to respond in a small way to the gentleman from New York, the gentleman from New York voted just last week on the floor of the House of Representatives to spend part of the surplus on agricultural disaster relief. If it is okay for him to spend part of the surplus, why is he proposing to punish farmers and ranchers and others by denying them relief now?

Throughout my tenure in Congress, I have devoted myself to protecting and preserving Social Security. The Committee on Ways and Means' Subcommittee on the Social Security, which I chair, has conducted a series of hearings, 11 to be exact, on the future of Social Security for this generation and the next. Our subcommittee has worked to fully explore every option for Social Security reform. The information obtained through these hearings will be invaluable to the Congress as they proceed to save Social Security. And we will save Social Security just like we balanced the budget, reformed welfare, saved Medicare and cut taxes.

The President has also worked to advance the Social Security debate, vowing in his State of the Union address to reserve every penny, then $680 billion of future budget surpluses, until Social Security has been strengthened. Unfortunately, however, somewhere between his State of the Union and the drafting of the President's budget proposal this commitment to Social Security got lost in the shuffle. The President's budget did nothing to redirect budget surpluses to Social Security, included no new trust fund investment strategies, no changes in Social Security taxes or spending. It proposed nothing new.

That is why in March of this year I introduced legislation to create a new Treasury account, the Protect Social Security Account, into which each year's budget surplus would be deposited. My bill, as introduced, walled off 100 percent of all budget surpluses so that they could not be frittered away on new spending programs. Due to lower inflation, increased corporate taxes and increased income tax revenue from hard-working Americans, the projected surplus we reached is $1.6 trillion. That is an additional 1 trillion since the President's State of the Union.

So I say we can do more. We can save Social Security, and we can cut taxes for those Americans who need it most: married couples, farmers, small businesses and senior citizens. Today, using language virtually identical to my original bill, we will pass legislation to wall off 90 percent of the budget surplus until a solution for Social Security is found.

While less sounds like less, in this case less is more. Ninety percent of the surplus today is just about 1.4 trillion, nearly double the amount that would have been saved at the time of my original bill. Certainly Social Security has no guarantee of any kind right now, no guarantee of any kind that it will get any of the surplus without some kind of protection like that provided in this bill. The President and Congress will spend the surplus on anything they want.

Even the President has already proposed 31 billion in new government spending funded from the very budget surplus he promised to reserve. Americans deserve better than more broken promises. This bill, by including my wall-off provisions, will guarantee in law that 90 percent of the surplus will be held aside to strengthen and protect Social Security. It will guarantee that we have the funds needed to implement Social Security reform when Congress takes action on it. That is 1.4 trillion for Social Security.

The Federal Government has never done anything like this. I wanted a hundred percent, but 90 in hand and guaranteed in law is better than a whole roomful of wishes that it was 100 percent. This bill locks in that protection in law.

My primary goal in this bill and since I came to Congress is to protect and preserve Social Security. The bill with the wall-off provisions will do more to protect and strengthen Social Security than anything Congress has considered in the 12 years that I have been here.

Mr. Speaker, I want to assure everybody to vote in a positive manner on this bill.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. BONIOR), our Democratic Whip.

Mr. BONIOR. Mr. Speaker, I thank my friend from New York (Mr. RANGEL) for yielding this time to me.

For years the Republicans talked about fiscal responsibility. So what is happening now? They are rushing to spend a surplus that does not exist. This bill is nothing but camouflage to cover that up. It is just an accounting trick to permit siphoning off funds from Social Security Trust Fund.

Let us remember something here. Social Security is the foundation of America's retirement system. It has worked well for more than half a century, and we have to strengthen it for future generations.

Even as we speak today, 44 million Americans are receiving Social Security benefits, our fathers, our mothers, grandparents, our friends, our neighbors. Protecting these benefits for today's seniors and protecting them for baby boomers and future generations beyond that is our responsibility.

Of course everybody likes tax cuts. We favor tax cuts. We supported tax cuts just a year ago, and they became law. But Americans have been very clear with the Congress about their priorities. They want us to save Social Security first.

□ 1130

We cannot give a surplus that does not exist. Americans believe that people who have worked hard all of their lives have a right to a secure retirement. They expect us to guarantee that right. This is why we need to address the long-term challenges of Social Security. If we fail to come up with a long-term plan, if we squander today's Social Security revenue on a short-term election year giveaway, then the retirement for millions of Americans will be put in danger.

Now, the Republicans say they only want to divert just 10 percent of the revenue from Social Security. Well, that is like rowing into the middle of a lake and then announcing you only want to drill one hole in the bottom of the boat; just one hole.

This bill is a prelude to a raid on the Social Security trust fund, and that raid will probably happen tomorrow when we meet here to pass the raid itself, the robbery, the stealing of the fund.

Perhaps my friends on this side of the aisle think that while the country is distracted they can pick its pocket and dip into our retirement funds. Well, I have news for you: The country understands what is happening here. They know it is not right and not fiscally responsible, and you are not going to get away with it.

To my senior friends in Florida, and we have many Michiganders who have

gone down to Florida and live, let me say, you are going to about to get hit by Georges, the hurricane, that is going to deliver that left hook to you. But tomorrow the Republicans are going to give you the uppercut, the knockout punch.

Vote no on this camouflage.

Mr. ARCHER. Mr. Speaker, I yield three minutes to the gentleman from California (Mr. HERGER), a respected member of the Committee on Ways and Means.

Mr. HERGER. Mr. Speaker, I would like to begin by respectfully pointing out that the gentleman from Michigan voted just last week on the floor of the House to spend part of that surplus on agricultural disaster relief. If it is okay to spend part of the surplus, why is the gentleman proposing to punish farmers and ranchers by denying them tax relief now?

Mr. Speaker, I rise today in strong support of the Republican plan to save Social Security and reduce our Nation's record high tax burden. We are also dedicated to fulfilling our commitment to our Nation's seniors as our plan sets aside the vast majority, some 90 percent of our entire expected surplus until we agree on a plan to save Social Security.

At the same time, we believe it is entirely appropriate to return at least a small portion, some 10 percent of this projected surplus, to those who created it in the first place, hard-working American taxpayers.

According to the Congressional Budget Office, taxes are now higher than they have been at any other time in America's peacetime history. So to my friends on the other side of the aisle who say we should not use even one penny of our Nation's surplus to provide middle class tax relief, I say, yes, we do have crucially important task ahead of us in saving Social Security, and our plan sets aside $1.4 trillion to do precisely that. But, at the same time, we should, at least at this time, not pass up this opportunity to provide 48 million married taxpayers relief from the marriage penalty. After all, when a couple stands at the alter and says ''I do,'' they are not agreeing to higher taxes. And why should we deny Americans new incentives to save? Why should we deny farmers and ranchers relief from the death tax? Why should we deny the self-employed the opportunity to fully deduct the cost of their health insurance? And why should we deny seniors a chance to earn a little more outside income without facing the loss of their Social Security benefits?

Today we have the opportunity to do all of this, while at the same time setting aside 90 percent of our surplus to save Social Security. I would urge my colleagues on both sides of the aisle, please, do not turn your back on husbands and wives; do not turn your backs on farmers and ranchers; and do not turn your backs on seniors and small businesses in your districts. Support the Republican plan to reduce America's record high tax burden and, at the same time, save Social Security.

Mr. RANGEL. Mr. Speaker, I yield myself 30 seconds to say to the gentleman from California (Mr. HERGER) that I am one of the friends on this side of the aisle, and we support those tax cuts. We just think we ought to save the Social Security system first.

In terms of the emergency spending for the poor farmers that were hit by an act of God with floods and droughts, we thought at one time that America wanted to help them. We think that is different than a pre-election tax cut.

Mr. Speaker, I yield three minutes to the gentleman from Georgia (Mr. LEWIS).

Mr. LEWIS of Georgia. Mr. Speaker, I want to thank my friend and my colleague from New York for yielding me time.

Mr. Speaker, this debate reminds me of an old gospel song, ''Ninety-nine and a Half Won't Do.'' The song tells us that when you believe in a cause, when you truly believe, you have to give 100 percent; ninety-nine and a half won't do.

Mr. Speaker, when it comes to Social Security, when it comes to our workers and the elderly, ninety-nine and a half won't do. And if ninety-nine and a half won't do, then 90 percent just won't do.

My Republican colleagues want a tax cut, but they do not want to pay for it. So what do they do? They raid the Social Security trust fund; they steal from our workers and our seniors. They take 10 percent, and then they brag this they let the elderly keep 90 percent of their own money. They brag that they left 90 percent of the money in the Social Security trust fund.

Mr. Speaker, 90 percent just won't do.

How can you do this to the old? How can you do this to our workers, hard working American families that have paid into the Social Security trust fund for 30 and 40 years? Now Republicans want to give them 90 cents on the dollar.

Mr. Speaker, 90 percent just won't do.

Democrats, my side of the aisle, will accept no compromise when it comes to the savings and the retirement of American working families. Every penny paid in the Social Security trust fund must be used to save Social Security first.

So I urge all of my colleagues to reject this bill; to reject any effort to sell Social Security short; to sell Social Security down the river; to give anything less than 100 percent.

Mr. Speaker, 90 percent just won't do.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume simply to quickly and briefly respond to the gentleman from Georgia (Mr. LEWIS), for whom I have the greatest personal respect.

Mr. Speaker, the gentleman's statement that we want to raid the Social Security trust fund is totally irresponsible and is totally false. In our committee's markup of this bill, there was a political appointee of the Clinton Administration from the Social Security Administration that was asked this precise question and responded that what we were doing did not raid the Social Security trust fund nor in any way impact on the payroll dollars that go into that fund.

That should be very clear. We are going to hear a lot of rhetoric today and tomorrow, and Members should realize that much of it is false.

Recently the minority leader from the other body commented that we were taking Social Security reserves out of the fund. That also was repudiated by the administration's representative from the Social Security Administration.

This type of rhetoric should not enter this debate. I regret it, but the facts should be laid out for what they are.

Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. STEARNS).

(Mr. STEARNS asked and was given permission to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, Judy Chesser, Deputy Commissioner of the Office of Legislation of the Social Security Administration said that statement.

Mr. Speaker, I rise in support of H.R. 4578 Save Social Security Act.

H.R. 4578 establishes a new account in the U.S. Treasury to preserve Social Security system. This account is being set up for the vote we will have tomorrow on the tax relief or the 90–10 plan. What we are talking about on this amendment is to set up this fund with the understanding that 10% of the surplus will be used for tax reduction for the middle income citizens of this country.

Mr. Speaker, the House will consider Mr. RANGEL's amendment to transfer 100 percent of the Social Security trust fund surplus to the Federal Reserve Bank of New York, to be held in trust for the Social Security system. But under this substitute, Congress must default on publicly traded debt obligations before it could default on its obligations to fund the Social Security system.

This is a Faustian bargain and is not what we want to do. I represent a District with a large elderly populations.

While I do like Mr. RANGEL's idea about setting aside 100 per cent of the surplus for Social Security, I do not think it is prudent to do so at the risk of allowing the country to go into default to achieve that end.

There is must good in the tax relief bill. Our tax cut focuses on middle-income Americans. The centerpiece is marriage penalty relief. We also help small business, make health care more affordable, and we will make filing tax forms a lot easier. Plus we will lower tax penalties on people who save, reduce death taxes, and provide tax relief for senior citizens, for education and child care. We also provide help for farmers and ranchers who have been hit hard this year. This is a compromise that I can support.

Our plan protects Social Security and reduces the worst penalties in the tax code, but

it is also a safety check against big government and wasteful spending.

For those who say we are hurting the Social Security Trust Fund . . . let's go the Administration themselves. When Ms. Judy Chesser, Deputy Commissioner, Office of Legislation and Congressional Affairs, Social Security Administration was asked if these tax cuts would impact the Social Security Trust Funds she said ''NO.'' Therefore this tax relief plan has no impact on the Trust Funds. Period.

And finally . . . isn't it possible that if we reduce taxes ever so lightly we will also give more incentives for Americans to create more jobs and to ultimately provide more revenues to the Government. This will mean more surplus to the Government which will again shore up the Social Security trust fund.

All of us here must also remember that we might not have a surplus if it does not stop these emergencies supplements appropriations for all these monies that the President is talking about. Every day he is proposing a new program and every country he goes into he promises more money without true accountability. So let's stop these emergency appropriations.

For those Senior Citizens who want tax credit relief for estate taxes and a social security earnings limit, I suggest that this bill our plan will actually help Senior Citizens.

There are many other things that make H.R. 4578 a good bill towards passage tomorrow of our 90–10 tax relief plan.

Seniors have done their part to make this country great and deserve to be treated with dignity and respect. When the President receives this bill, he can sign it thereby ensuring that Social Security will remain solvent for generations to come. For these reasons I support H.R. 4578.

Mr. ARCHER. Mr. Speaker, I yield three minutes to the gentleman from Illinois (Mr. WELLER), a respected member of the Committee on Ways and Means.

Mr. WELLER. Mr. Speaker, I first want to begin by commending the gentleman from Texas (Chairman ARCHER) and the gentleman from Kentucky (Chairman BUNNING) for their leadership on this effort, which not only will save Social Security, but begin the process of eliminating the marriage tax penalty, an issue which affects 28 million married working couples.

We hear a lot of rhetoric and have to recognize it is an election year, and politicians in many cases will say just about anything in an election year.

Of course, we have heard some claim that this plan somehow harms the Social Security trust fund. I thought it was so important when the gentleman from Texas (Chairman ARCHER) asked a representative of the Clinton Administration, the Deputy Commissioner of the Social Security Administration, Chairman ARCHER asked as a result of the tax bill being considered by the committee, which, of course, we will be voting on tomorrow, will there be any impact on the monies of the Social Security trust funds? And Judy Chesser, the Deputy Commissioner of the Social Security Administration was pretty direct. Sometimes politicians are not very direct, but she had a very simple answer. She said no. This plan in no way harms, hurts, hinders, impacts the Social Security trust fund.

So let us be honest about it, this is an important piece of legislation. We are going about saving Social Security here. This is a big day. If you think about it, since 1969 Washington not only was spending money beyond the means of this Federal Government, but we never had the opportunity to save Social Security. Now, thanks to a balanced budget, we have a projected surplus; extra money that we can use for important priorities. Today we are voting to make saving Social Security first the number one priority.

If you think about it, the same folks who oppose this effort to save Social Security and to eliminate the marriage tax penalty are the same people that said we could not balance the budget. They are the same people that fought down here and fought against lowering taxes for the middle class. They are the same people who opposed our efforts to change and reform our welfare system that was failing, with more children living in poverty than ever before, and also they are the same people that objected when we wanted to tame the tax collector and bring about IRS reform.

This is important legislation because, just as the Deputy Commissioner of the Social Security Administration pointed out that our legislation does not impact the Social Security trust fund, in fact we are going to have extra money to help save Social Security, that we set aside $1.4 trillion.

Think about that. When President Clinton gave a speech, which we all applauded, talking about saving Social Security and setting aside the surplus for Social Security, there was $600 billion in the projected surplus at that time. Today we are setting aside more than twice what the President asked for, $1.4 trillion. Think about that. $1.4 trillion. That is a lot of money. Yes, it is 90 percent, but it is more than twice what the President originally asked for.

I have often had a series of town meetings and forums on Social Security, and the senior citizens and the working people that attend these forums have had a pretty common message. Number one is they say as we work to save Social Security, let us keep the politics out of it. Let us make it a nonpartisan effort.

Democrats and Republicans should work together. This legislation deserves bipartisan support. Let us vote to save Social Security and eliminate the marriage tax penalty. We have that opportunity today and tomorrow.

Mr. RANGEL. Mr. Speaker, I yield myself one minute.

Mr. Speaker, I had thought under the House rules it was a violation to take the official transcript of a markup or committee meeting, other than a public hearing, that it should not be published or distributed to the public in any way except by majority vote of the committee. But having seen how the majority has waived the budget rules, I suppose you have waived the House rules, and so I am not in violation.

□ 1145

Now, Ms. Chesser was asked to respond to the majority, yes or no. Her answer was no. That was the chart we saw.

The gentleman from Kentucky (Mr. BUNNING) then asked her to come back, and he said, I just want to make sure, unless I misunderstood, Ms. Chesser, would you please come back to the table and repeat what you have said.

The answer was, it does not affect the money currently going into the trust fund. However, it would make a far smaller amount of the surplus available when there is a bipartisan attempt to resolve the social security's current financial problems, which we hope to do in a bipartisan way. As Members know, we are not in actual balance over the next 75 years.

It helps, when we take part of the transcript out and publish it, that we put in the whole amount.

Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts (Mr. NEAL).

Mr. ARCHER. Mr. Speaker, would the gentleman yield for 5 seconds?

Mr. NEAL of Massachusetts. I yield to the gentleman from Texas.

Mr. ARCHER. Mr. Speaker, on the statement made by the gentleman from New York, I am not sure where he got what he presented to the House, but we received what we presented to the House off of C-Span. Therefore, it was not in violation of the rules.

Mr. NEAL of Massachusetts. Mr. Speaker, this is one of the details, when we come into this Chamber, that makes us really feel good about being Democrats.

I have to tell the Members, when I hear speakers march to that microphone and suggest that this side is playing politics with social security, after they have scheduled the tax cut 6 weeks before the national elections, that we are playing politics? Do Members know what the name of this account they have offered today is? The Protect Social Security Account. It is Orwellian, that is really what it is, because only George Orwell would have suggested that we should protect social security by raiding it. That is precisely what they are doing today.

For them to complain about politics, politics, 6 weeks before a national election, to offer a tax cut to the American people by raiding the social security account, that is politics. We ought to have a substantive debate in this Chamber about what we really mean by ''protecting social security,'' and spending it for a tax cut is not the way we protect social security.

This bill that they are offering today locks up what they say is 90 percent of the social security trust fund. What about the Asian fiscal crisis? What about a recession that could loom on the horizon, and alter dramatically

every fiscal projection we have seen in this Chamber for the last year? Are we blind to the realities of what is happening across the globe?

This is a time when we should be taking satisfaction from the fact that it was the Democratic Party, with the leadership of President Clinton in 1993, that balanced that budget. Do Members know what else is ironic? Let us not forget the role George Bush played in 1991 when half of his own party split from him, when he looked at the reality of where we were headed as we turn the page on this century.

I have to go back to what I said earlier. To complain that the Democrats today are using politics, we are honoring the contract we made with Mr. Roosevelt, which the American people have said time and again they subscribe to and they do not want to see it altered.

A tax cut 6 weeks before the national election, who among us believes that that is intelligent fiscal policy? And at the same time, they violate that sacred trust that Democrats hold dear and senior citizens hold dear. Social security should be saved and protected before we discuss any tax cuts.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would once again point out that the term ''raiding the social security trust fund,'' which obviously is programmed to be in each of the Democrats' presentations, is completely and totally false, and it is reprehensible that it continues to be used on the floor of the House.

Members should be well aware that it is not the case. But I guess if they say it enough, long enough, maybe some people may believe it. The gentleman, who is a very good friend of mine, again, and whom I respect personally, also said that we were locking up 90 percent of the social security trust fund. That is false.

I would suggest that the Members on the other side read the bill. The gentleman from New York (Mr. RANGEL) cosponsored it, other than the change from 100 to 90 percent. The bill does not say that. It says, ''A projected surplus will be set aside.'' Let us try to be accurate in what we say.

Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. JOHNSON), a respected member of the Committee on Ways and Means.

Mr. SAM JOHNSON of Texas. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I would like to respectfully point out that the gentleman from Massachusetts who just spoke ahead of me voted on the floor of the House to spend part of the surplus on agricultural disaster. If it is okay to spend the surplus that way, why is the gentleman proposing to punish farmers and ranchers by denying them tax relief now?

I want everyone to listen to the Democrats' rhetoric. They are forgetting one simple fact, that for 40 years the Democrats never set aside one penny to protect social security. Instead, they spent taxpayer and social security dollars on government programs. They are talking about 40 days from election, and suddenly they are concerned about saving social security. In this bill today we are protecting social security, and the Democrats are going to have a chance to put their money where their mouths are.

In 1960, the Democrats said that we could not win the Cold War. We did. In 1996, the Democrats said we could not reform welfare. We did. In 1997, the Democrats said we could not give tax relief and balance the budget, and we did. They also said we could not and should not reform the IRS. Well, we did that, too.

Now the Democrats say we cannot provide tax relief to families, farmers, small business, seniors, and protect social security. Once again, they are wrong. We will.

This bill does set aside 90 percent of the $1.6 trillion surplus for social security. That is a lot of money. In return, we want to give the families, farmers, small businesses, seniors a break from high taxes. They deserve a break. Taxes are just too high.

Let me say it one more time. I think people deserve a strong social security system and tax relief. What they do not need is for the surplus to stay here in Washington, D.C., where Democrats and the President will steal it to create a bigger government.

The choice is simple, taxpayers over bureaucrats. How can anybody argue with that?

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Louisiana (Mr. JEFFERSON), a member of the committee.

Mr. JEFFERSON. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise today in opposition to H.R. 4578 because it breaks our promise to the American people to keep social security whole. Mr. Speaker, this debate should not be about politics or partisanship but about people, the American people.

Social security is the foundation of retirement income for American workers and their families. Two-thirds of older Americans rely on social security for 50 percent of their total income. Thirty percent rely on it for 90 percent or more. It is the principal insurance against family impoverishment due to death or disability for 96 percent of America's work force, and it is a lifeline for more than 43 million retirees and disabled workers and their spouses and their children.

Because of its importance to the American way of life, my Democratic colleagues and I join the President in his commitment to preserve social security for future generations. This is not a debate about who favors tax cuts. Both Democrats and Republicans favor tax cuts in this bill. This debate is about whether we have the resolve, the fiscal discipline, to do what is right, or whether we will, once again, say that we can have it all, let the good times roll, and do the wrong thing: rob from our social security trust fund to give a tax cut we know we cannot afford.

Mr. Speaker, if we are serious about preserving the benefits of social security for our children and grandchildren, setting aside 90 percent to save social security is not enough. Even diverting 10 percent of the social security surplus before enacting a proposal to save social security undermines the future financing of the system.

In fact, this diversion of 10 percent from social security, which our Republican friends dismiss as small and rather unimportant, amounts to more than a $200 billion hole in the social security trust fund over the next 5 years, at a time when we owe $2.235 trillion to the fund already.

As my Democratic colleagues have already stated, the surplus in the unified budget consists of funds raised from social security payroll taxes and from the interest accrued on social security Treasury bond. Today we have a surplus in the social security fund due to the policies of President Clinton and most of the Democrats on this side. However, as millions of baby boomers age, the social security fund is projected to begin losing money in 2013, and would become insolvent a few years later unless reforms are enacted.

The bottom line is that we must begin to take steps to ensure that sufficient resources are building up in the social security system, so they are building to pay the promised social security benefits in the future and that will not be threatened.

H.R. 4578 therefore amounts to an illusory election year tax plan that might be right to pander for votes in an election year, but it is dead wrong for the future of social security and the direction of our Nation's fiscal policy.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri (Mr. HULSHOF), a respected member of the Committee on Ways and Means.

(Mr. HULSHOF asked and was given permission to revise and extend his remarks.)

Mr. HULSHOF. Mr. Speaker, first of all, as a member of the Subcommittee on Social Security, I have to commend the chairman of the committee, the gentleman from Kentucky, with having a series of hearings about saving social security. I participated in the first great debate in Kansas City with the President about the discussion about social security.

But I think what we are trying to do today, Mr. Speaker, is rather than just talking about saving social security, we are putting actions with our words. We are putting the peoples' money where our mouths are.

There has been a lot of talk about billions and trillions of dollars, about the surplus, but let me put it in language that everybody can understand.

Mr. Speaker, I have in my hand ten $1 bills, a projected surplus. This is not money that is needed to balance the Federal checkbook, which we are doing. But of these ten $1 bills of surplus money, we want to take 9 of those bills and put them aside for social security for safekeeping. We want to take this single dollar bill of surplus money and leave it in the pockets of the people who sent it here.

How dare these Members say to married couples across this country, we want to continue to punish you because you choose to get married, we are not going to let you have this dollar? How dare we say to the farmers of this country, who feed us, or the small businesspeople who employ the majority of people, no, you sent the money here, but you cannot have it back?

It is laughable, Mr. Speaker. Even in this tax relief measure we are providing relief for seniors who choose to work beyond retirement. There is tax relief for seniors in this bill. Yet, our friend on the other side say no.

In fact, the gentleman from Michigan earlier today in this debate said that we were picking the pockets of the taxpayers of this country. There is such a death grip on this dollar by those on the other side that they will not even let it stay in the pockets of those who sent it here.

I say no. I say it is time to say no to the Rangel substitute and yes to the bill. We can save social security, and let the American people keep what they earn.

Mr. Speaker, I am proud to rise today to speak in strong support of the Save Social Security Act.

Social Security is perhaps the most important and successful program in the history of our republic. It has helped generations of Americans retire with dignity and respect. There is bipartisan agreement that we should take advantage of projected budget surpluses to address the long-term financial challenges facing the system. We owe it to retirees and future generations to do this, and I commend Representatives BUNNING, the Chairman of the Social Security Subcommittee, for the series of hearings he has held over the past year and a half to take an honest, straightforward look at the choices we must make to save Social Security for our children and grandchildren.

To make sure there are enough resources set aside from future budget surpluses, the Save Social Security Act proposes that we wall-off $1.4 trillion of future budget surpluses in a special Save Social Security Account. That's right, $1.4 trillion. Clearly, this is a responsible commitment to the future of Social Security that will help preserve the program's solvency.

By setting aside $1.4 trillion to save Social Security, we can not only protect the program, but allow the American people to keep more of their hard-earned money. Taxes are currently at their highest levels in our Nation's peacetime history. The House has a clear choice today. Those who think your constituents pay too much in taxes should vote for the Save Social Security Act. Those who think that Americans are not overtaxed or do not pay enough in taxes should vote against the bill before us. It is shameful to scare seniors and hide behind Social Security to cloak opposition to letting the American people keep more of their hard-earned dollars. It is even more shameful to hide behind Social Security to spend more on government programs, like the Administration's proposal to spend $13 billion of the surplus on new spending.

I'm going to illustrate what this debate is all about. I am holding in my hand ten one dollar bills. What we are proposing is to take these nine dollars and put them aside to save Social Security. A truly worthy goal.

Given the willingness of the Administration to spend the surplus on government programs, $13 billion at last count, the debate then becomes what do we do with this remaining one dollar. I think we should let the American people keep it. After all, it is their taxes that have created the surplus in the first place. Those who agree with me that this one dollar is best returned to the taxpayers will vote for the bill before us.

Or, we can give this money to the Federal Government for new spending programs and let Americans continue to pay the highest level of taxes in our Nation's peacetime history. Those who favor this approach should vote against the Save Social Security Act.

Putting aside enough money to protect Social Security is not the issue. The issue is more government programs or tax relief. The choice is clear. If you favor letting the American people keep more of their money, vote for the Save Social Security Act. If you want more Washington programs, vote against the bill.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. BECERRA), a member of the committee.

Mr. BECERRA. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I, too, will pull out those same 10 $1 bills. I, too, will tell the Members that if I have $10 because I work for the government, and I got them because someone is working every day contributing to the social security trust fund for his or her retirement, I am not going to tell them, well, I am only taking one of your $10 you just gave me for your social security investment in retirement, and I am going to use this to give out tax cuts, mostly to folks who are better off and do not need to worry about your retirement the way you maybe do. So you keep your 9 and I get to spend your one.

□ 1200

That is what we are talking about. And, by God, please do not tell me that they are willing to tell an American farmer that they are going to punish them because this Congress, some here, are willing to say that we want to help them in time of need because of the drought and because of floods and because of all that done through an act of God.

But my colleagues on the other side are saying to them, no, we cannot let this Congress help them out in their time of need. But, by the way, we do have money, that $10 that they just gave in their contributions out of their paycheck every month, to take one of those $10 and give a tax cut 6 weeks before the election. We can do that. Punish the farmers for an act of God.

Do not do that. And please do not punish seniors for the political acts of men in this House.

Now, when those folks out there in the country that are earning this money that they are putting into the Social Security trust fund go to the supermarket, they do not expect to receive 90 percent of the groceries they just paid for. When we buy a home, we do not expect to own nine-tenths of that home. When we pay for our child's education, we do not expect them to receive 90 percent of a college degree.

Mr. Speaker, when Americans deposit money in a bank, they certainly do not expect that bank to give them only 90 percent back of their original deposit, or 90 percent of the interest that their money has earned. They expect 100 percent.

The fact is, the budget surplus is not a surplus, other than Social Security funds contributed every day by people who work and give of that money out of their paycheck. American workers are doing what Republicans here are unwilling to do in this House. They are saving and investing for their retirement.

In fact, what Republicans are proposing through this tax cut is to take those savings and investments because, again, the surplus we are talking about is created by all the trust fund dollars that American workers are contributing. The fact that we are not using every dollar out of the trust fund for Social Security and paying out for today's retirees does not mean that we should tell those folks who are working and contributing that right now we have a surplus, because they are paying a little bit more than we have to pay out today, because those workers know that tomorrow when the baby boomers retire we are going to go in the opposite case and we have to save now to take care of that problem later.

Mr. Speaker, I urge my colleagues, please do not take even one dollar out of the $10 that American workers are earning every day and depositing into the Social Security trust fund to pay for tax cuts right after an election.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. THOMAS), a highly respected member of the Committee on Ways and Means.

Mr. THOMAS. Mr. Speaker, I thank the gentleman from Texas for yielding to me.

Mr. Speaker, I had not intended to speak on this, but some of the examples are just getting absolutely ridiculous. The gentleman from Texas (Chairman ARCHER) has cautioned a number of folks that they really ought to deal with a debate about the facts and not about some political rhetoric that they wish to argue.

The reason we have a surplus right now is because people are paying more

in income taxes, the economy is doing well, and inflation is lower than anticipated. It is always relative to what people said was going to happen. And what is happening today is that people are better off than the projections and inflation is lower. So, more money is coming in than anticipated.

The Social Security trust fund does not go bankrupt until 2030. We have a few years to be prudent about the way we spend our money. And I would tell the gentleman from California (Mr. BECERRA), the $9 he counted out is not money that is in the trust fund. It is money that people paid in income taxes beyond what the government's current obligations are.

The point that needs to be made repeatedly, and I know folks on the other side know it but will not admit it, but what the American people need to understand is that all 10 of those dollars are theirs. All we are proposing to do is to give them back one of them, as the gentleman indicated, and set the other nine aside for the ongoing obligation for Social Security leading toward the year 2030.

Now, what we propose to do is have a surplus every year, not just this year. This is not a unique event. In 1999, in 2000, in 2001, in 2002, on and on and produce a surplus, every year. We want to make sure if we miscalculate on collecting revenue that we set aside a reasonable portion to deal with tomorrow, the day after tomorrow, till 2030. But there is no reason whatsoever why people who are overcharged by this government on their income tax cannot get a small portion of it back, whether it is the first day of a Congress or the last day of a Congress.

Mr. Speaker, what my colleagues on the other side of the aisle continually forget is that the money is the people's in the first place.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentleman from California (Mr. FARR).

Mr. FARR of California. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL) for yielding me this time.

Mr. Speaker, hearing this debate leads one to believe that the only thing we have to fear is truth itself. The truth, according to the tax committee, is that we have in the next 5 years, according to this chart, we have a national fiscal situation that is still in deficit. $137 billion of the fiscal picture is in deficit.

We have a $520 billion fiscal picture over the next 5 years which is in the plus side, and that is all in the Social Security account. There is no free lunch in this business. We have to rob from Peter to pay Paul. If we are going to give tax breaks, we have to pay for the lost revenue. And the only surplus that we are going to have is in the Social Security account. That is it. So, we will have to rob from the Social Security account.

Now, if this tax plan is not an election year gimmick, I ask the Republican leadership, they have been in the majority for 4 years, if this was such a great tax plan, why did they not bring it to us before, instead of 6 weeks before the election?

Mr. Speaker, this is not fiscal responsibility. This is fiscal foolishness, election year fiscal foolishness.

I urge my colleagues to vote ''no'' on this bill.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Arizona (Mr. HAYWORTH), a respected member of the Committee on Ways and Means.

Mr. HAYWORTH. Mr. Speaker, I thank the gentleman from Texas (Mr. ARCHER), chairman of our committee.

Mr. Speaker, hearing my good friend from California typifies the incendiary nature of this debate. For what the American people see today, Mr. Speaker, is a clear example of those who eagerly embrace the politics of fear rather than the policies of hope.

The case is clear, the facts these: In excess of $1 trillion, $1.4 trillion set aside to do nothing but save and protect Social Security.

My colleague from California and others who expound on the politics of fear talk about the short-term calendar. But, Mr. Speaker, for purposes of full disclosure, it is far better to take a long-range view and let history teach us.

Mr. Speaker, in terms of full disclosure, the facts are clear and undeniable. In 40 years' time, when the liberals had the majority in this Chamber, they never set aside one single penny to save Social Security. Zero. Zilch. Nada. Not a thing did they save.

Oh, they were happy to raise payroll taxes. They were happy to take more and more of Americans' hard-earned money. And now when we have the opportunity to set aside in excess of $1 trillion, they say no, because, Mr. Speaker, the message is clear, if somewhat confusing, from the other side. They once again say no tax relief, no time, no how. It is the taxpayers' money, but somehow they should not have it.

Shame. Mr. Speaker, I urge my colleagues to adopt the majority proposal, reject the minority substitute.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentleman from Maryland (Mr. CUMMINGS).

Mr. CUMMINGS. Mr. Speaker, I stand in support of my colleague, the gentleman from New York (Mr. RANGEL) and his amendment to protect Social Security.

Without Social Security, an additional 11.5 million older Americans, our mothers, our fathers, our brothers and sisters, would be impoverished, dramatically increasing the overall poverty rate from 13 percent to nearly 50 percent among those over the age of 65.

It is very simple. Social Security works. Social Security reduces poverty, and the American people want this Congress to ensure that Social Security remains solvent well into the future. I, for one, intend to do whatever it takes to make sure that this body meets that demand.

Mr. Speaker, it is ironic to me that the very party that at one point would have turned Social Security over to Wall Street is proposing to use the potential budget surplus not for Social Security but rather for a tax cut that I find imprudent, ill-timed, inefficient, poorly targeted and risky.

Mr. Speaker, we may end this fiscal year with a budget surplus. If we do, we owe it to the American people to put that money, all of that money, and that is the difference, all of it, aside until we are sure that we can maintain the long-term solvency of Social Security. Therefore, I stand in support of the Rangel substitute.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentleman from Washington (Mr. ADAM SMITH).

Mr. ADAM SMITH of Washington. Mr. Speaker, the key fact in this debate is that there is no budget surplus. The only surplus that exists, exists in the Social Security trust fund.

So, when we hear the other side talking about how they are setting aside $1.4 trillion for Social Security, we cannot set aside money that is already spoken for. That money is borrowed. It must be paid back, plus interest.

We would not borrow $200,000 for a home mortgage and say we are setting that aside for our child's education, because we have to pay it back. That is the fundamental flaw in the Republican argument. The money is already in the Social Security trust fund. We should keep it there.

We saw that chart that the gentleman from California (Mr. FARR) brought up. We saw the truth. The only surplus that exists outside the Social Security trust fund, which we have to pay back, is $31 billion. Now, if they wanted to be honest and offer a bill to say we should set aside 90 percent of the real surplus, 90 percent of $31 billion would make sense, because that is the only surplus that we have.

Mr. Speaker, we cannot spend money twice. I will agree with the Republicans on one point. We were wrong for 40 years. I use ''we'' loosely, because I was not here. We should not have borrowed that money and used it to reduce the size of the deficit, and the public agrees. They sent us that message in 1994.

What I am afraid of is that the Republican majority has forgotten the very message that sent them here. I hope that the American public will send them the same message in 1998: Do not borrow from the Social Security trust fund and treat it as income. That is manipulative rhetoric, and it is wrong.

The reason is that money is already spoken for. We have to pay it back. We should not let the Republicans, any more that we would let the Democrats, spend money twice. It gets us into big deficits.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentlewoman from California (Ms. LEE).

Ms. LEE. Mr. Speaker, I thank the gentleman from New York for yielding me this time.

Mr. Speaker, I rise in very strong opposition to H.R. 4578. I oppose any Republican attempt to undermine Social Security by proposing a big tax cut during this election year.

In the 1930s, before Social Security, many hard-working Americans who had no family to care for them lived in the streets, and sometimes they starved. Social Security was created to reduce this type of primitive poverty, conditions that are unconscionable in our time and in our Nation of wealth and resources.

We need Social Security for the 30 million hard-working Americans who, after a lifetime of low-wage jobs, have no money for retirement. Without Social Security, they would have nothing. We need Social Security for the 5.5 million Americans with severe disabilities who are unable to work. They would be destitute without Social Security.

This Congress has an obligation to strengthen Social Security, because working people have earned and deserve Social Security. It is the most sacred, fundamental measure for the survival of all Americans. That is why tax cuts are not an option until Social Security is 100 percent secure.

Mr. Speaker, I strongly urge a ''no'' vote on H.R. 4578.

□ 1215

Mr. RANGEL. Mr. Speaker, I yield the balance of my time to the gentleman from Texas (Mr. BENTSEN).

The SPEAKER pro tempore (Mr. QUINN). The gentleman from Texas (Mr. BENTSEN) is recognized for 2 minutes.

Mr. BENTSEN. Mr. Speaker, since everybody was using props, I think I will use a prop, in my opinion, that talks about the deficit. It is a credit card. It is not cash. We do not have the cash yet.

Anybody who believes a 10-year projection on what the surplus is going to be really has lost their mind. We do not know if it is going to be $1.5 trillion. We hope it is $1.5 trillion. We do not know that.

This whole tax cut and this whole 90/10 scenario is predicated on a surplus that we do not even have yet. It is a fraud on the market, and it is a fraud on the public.

The fact is, we are looking down the barrel at $5.5 trillion of debt that we are going to have to pay, including the debt in the Social Security trust fund. To go and start spending all that money now without a rational plan of how it is going to be done means that we are going to end up adding more debt. And, ultimately, our debt-to-gross-domestic-product ratio will go to 200 percent, and then Social Security will really be in trouble. So bills like this are not going to strengthen Social Security. In fact, it probably makes it worse.

This is nothing more than a political gimmick to cover what the true intention is, which is to take us back to supply side economics and back to the days of $200 billion deficits, because many Members on the other side just seem to think that does not really matter.

The fact is, if they ran a business the way they are proposing to do this now, and I came from the business world, they would run it into the ground. They would never be able to get credit, and now they are talking about spending credit that they do not have.

This is a terrible, terrible idea. The best thing we could do would be to start paying down the debt, get the debt-to-GDP ratio down. That would make Social Security stronger and honor our obligations, not only to the senior citizens and future senior citizens that are going to rely on Social Security, but also honor the obligations of the United States taxpayers to the Treasury bonds that are out there.

This is a fraudulent, risky policy that will lead us back into the problems that we came out of. I guess if we pass this tax bill, we can say that the days of fiscal responsibility, which we only have enjoyed for a fleeting moment, are dead, and they are dead at the hands of the Republican Party.

Who would have believed it?

Mr. Speaker, I rise in opposition to H.R. 4578. This bill does nothing to strengthen Social Security and, in fact, it may weaken it. It is nothing but a political gimmick that allows the Majority to argue, falsely, that they voted to protect Social Security. This legislation is only a cover-up for tomorrow's attempted raid on the Social Security Trust Fund.

The best way and the most responsible way to strengthen Social Security is to buy down the Federal debt, which today stands at $5.5 trillion. The debt to GDP ratio is 67 percent, double what it was in 1981. Interest paid on the Federal debt, $244 billion this year, has more than tripled since 1981. It is now the third largest Federal program after Social Security and defense. If we do not start paying down the debt, it will mushroom to 200 percent of the Nation's economic output by the middle of the next century and interest payments will consume more and more of the Federal budget.

We should take advantage of this window of opportunity to begin paying down the debt before the retirement of the Baby Boom generation a decade from now begins to require additional spending on programs such as Social Security and Medicare. By paying down the debt, we will be able to add to private investment and expand national income to pay the costs of the Baby Boom's retirement and reduce the share of Federal spending taken by interest payments on the debt.

The Republican Majority says that they will pledge 90 percent of the projected surplus to Social Security, but at least 98 percent of it comes from Social Security. Furthermore, the surplus does not yet exist and the Republicans want to go ahead and spend it. If it does not materialize, the Congress will be spending far more than 10 percent of the Social Security surplus. To propose a tax cut that is not paid for means more debt. If you run a business that way, you would run it into the ground.

There is no difference between the Social Security Trust Fund and the ''Protecting Social Security Account.'' This is spending the surplus and there is no reason why the Majority could not dip into the ''Protecting Social Security Account'' to fund another ill-timed, ill-advised, and irresponsible tax cut. Mr. ARCHER has said that as long as the Republicans are in charge, there will be a tax cut every year. So it looks like the Republican tax bill is just a downpayment on the $700 billion raid on the Social Security surpluses they proposed earlier this year.

The Majority's proposed tax cut is not paid for, so my colleagues have to resort to political gimmicks. This legislation is a sham. It will neither strengthen Social Security nor will it help us buy down our $5.5 trillion national debt. Mr. Speaker, I urge my colleagues to oppose H.R. 4578.

Mr. ARCHER. Mr. Speaker, I yield the balance of my time to the gentleman from Ohio (Mr. KASICH), highly respected chairman of the Committee on the Budget.

The SPEAKER pro tempore. The gentleman from Ohio (Mr. KASICH) is recognized for 4½ minutes.

Mr. KASICH. Mr. Speaker, what is an interesting proposition is that everybody in America now, from the President to the Democrats to the Republicans, claims we have a balanced budget. Why is it that we claim that we have a balanced budget? Well, it is not complicated. It is because we are taking in more money this year than we are spending.

Now, when we take a look at the surplus, we are actually going to spend less than what we take in. And let us just presume that the surplus is $40, two twenty-dollar bills. You said to me, so, JOHN, the surplus is $40. Where does that $40 come from? I say, well, 20 of the $40 comes from the Social Security FICA taxes that we all pay. That is the difference between how much we collect in FICA taxes and how much we pass out to our seniors. So of the $40 surplus, 20 of it is Social Security FICA taxes. We are going to put it on this side of the podium.

The other $20 comes from all the other taxes that we levy in the country, the income taxes, all the taxes that Americans are subjected to; and we are going to put that $20 on the other side of the podium.

Now, the $20 that comes in from the FICA tax, the Social Security tax, we are going to save it. We are going to put it right in our pockets. We are going to save it, and we are going to use it to fix Social Security long term, to save it for three generations of Americans.

But the other $20 that gets generated from the income taxes and all the other taxes, we are going to give part of it back to the American people.

It is just that simple. It has nothing to do with robbing something from Social Security. It is about giving people some of the taxes that they pay in excess of the Social Security taxes.

One more time, for all those watching, $40 in surplus, $20 comes from the

Social Security tax. We are going to save it and put it in our pocket. The other $20, we are going to start to give some of it back.

To my colleagues and those who want to be in favor of change, let me just suggest to you what this is about. For those that are watching this debate, in my opinion, this is not really about tax cuts. School choice is not really about just school choice. Social Security reform is not just really about Social Security. It is about power. It is about whether we are going to run America from the bottom up, where the people and the families and the communities have the power, or whether we are going to continue to run America from the top down, where just a handful of people in America think they know better and they run our lives.

If I can give you more money in your pocket, you and your family, then you have personal power and you can begin to solve the problems in your community. But if the government tells you they want to keep it all here in Washington, they not only do not want to give you a tax cut, they want to use the surplus to spend, to create even more government.

Would it not be an irony for a party and individuals who are committed to shrinking the size of government to take the benefits of balancing the budget and then use it to increase the size of the governmental elites in this town?

I ask you all to think, when you come for this vote, where do you want the power to be? Do you want it to be vested in Washington with a handful of people running this country from the top down, or do you want to be in charge of where your kids go to school? Do you want to be in charge of the ability to provide for yourself in your retirement years? Do you want to be in charge of designing a welfare program in your own community? And, finally, maybe the best manifestation of personal power, do you want more money in your pocket and less money, less of your money in the hands of the government?

I would argue to you, as we go into this next century, the strength of America is not going to be based on the big shots, on the elite. The strength of America is based on the power of every man and woman and child and family and community inside of this Nation.

This is about power and this is about giving you more of it.

I hope my colleagues will reject this notion of keeping the governmental elite powerful and accept the notion and have the confidence that we, working together, can make America better. Support the gentleman from Texas (Mr. ARCHER).

Mr. STOKES. Mr. Speaker, I rise in strong opposition to the majority's legislative measures that would jeopardize the solvency of the Nation's Social Security trust fund. It is just ''mean spirited'' and ''irresponsible'' to further burden seniors by weakening their most stale source of income.

Social Security accounts for more than 40 percent of the income of the elderly. In fact, 44 million retired and disabled workers, their dependents and survivors, are counting on us to do the right thing. Preserving the safety net for elderly Americans is one of the most pressing issues facing our Nation today, and impacts each one of us individually and collectively. More importantly, how we as a Congress choose to address this issue today will impact the quality of life for generations to come.

Mr. Speaker, seniors are in the twilight of their lives, and we should be considering measures that are designed to improve the quality of their lives. Instead, the majority in Congress is once again playing a game of Russian roulette and using ''smoke and mirrors'' tactics to trade seniors' economic security for an election year tax cut. This is just irresponsible, and threatens the lives of the weakest and most vulnerable among us.

As the current baby boomer generation approaches retirement, our Nation stands on the brink of an incredible demographic shock. According to the Congressional Budget Office, between the years 2010 and 2030, the over-the-age 65 population will increase by more than 70 percent. However, the population paying payroll taxes will rise by less than 4 percent. This is firm and compelling evidence that the budget surplus must be invested in protecting Social Security.

The Nation is enjoying a record budget surplus, and we had promised the American people that if they would help us to control spending, and help us to balance the budget, and that if we could yield a budget surplus those funds would be used to protect Social Security. Now, the Republican majority is reneging on that promise.

In fact, 98 percent of the more than $1.5 trillion budget surplus is due to the surplus in the Social Security trust fund. These funds are needed to pay future benefits to senior citizens.

We must do all that we can to protect Social Security's long-term solvency. The Democratic proposal would save 100 percent of the Social Security surplus and place it in a ''lock box'' account at the Federal Reserve until it is released to be used or Social Security.

We must keep our word to our seniors and to the American people. We must keep our promise to use the surplus to ensure the solvency of our Nation's Social Security system.

Seniors must not be forced to choose between food and shelter, or between food and medicine. They have worked hard for their country, and their country must not turn its back on them. Let's do what is right—protect Social Security. I ask my colleague to join me in voting no to H.R. 4578, a bill that jeopardizes Social Security's solvency.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise in opposition to this bill, not because I am against reducing the tax burden on my constituents, but because I am a firm believer in keeping promises—in this case, the promise to our citizens that Social Security will be there for them when they retire.

The debate on this bill involves one point of contention. Republicans believe that the funds in our coffers are surplus, and we Democrats believe that we ought to honor the contracts that we have entered into.

Why do I call this a contract? When we originally passed the Social Security Act, we had to justify the additional amount of money that was being taken out of the paychecks of our constituents. It was explained to them at that time, that the money would be held and given back to them at the time that they chose to retire.

As proof, I have brought with me a copy of a letter, that was sent out in 1936 as a mass mailing to people all over the country. The pertinent part reads:

> Under this law the United States Government will send checks every month to retired workers, both men and women, after they have passed their 65th birthday . . . This means that if you work in some factory, shop, mine, mill, store, office, or almost any other kind of business or factory, you will be earning benefits that will come to you later on. From the time you are 65 years old, or more, and stop working, you will get a Government check every month of your life.

Most importantly, the statement reads: ''The checks will come to you as a right.'' A right.

We cannot deprive the citizens of this country this right. Last month I held a series of town hall meetings. Although the meetings were all held in different neighborhoods, with people of different races and backgrounds, with people from different financial strata, and with people of all age groups, at each of the meetings there was a clear consensus that Social Security must be there for them when they call upon it. It must be saved for them, not out of the generosity of our hearts, but because we owe them the money. It is their right?

This position is supported by the National Committee to Preserve Social Security and Medicare, who recently stated: ''An $80 billion election-year tax cut proposed by the U.S. House Republican Leaders wrongly taps Social Security funds and ignores Congress's obligation to protect the nation's social insurance program . . . The diversion of these Social Security funds undermines the future financing of Social Security, and Congress should reject this proposal.''

We all agree that our middle class is taxed too heavily. However, it does not make sense to remedy that by raiding the Social Security Trust Fund, before the Social Security trustees tell this Congress Social Security is safe. Instead, what should be done is follow the democratic tax relief bill which gives tax relief to working Americans once Social Security is saved.

We Democrats voted for significant tax cuts last year. However, that bipartisan bill was paid for. This one is not. In order to even debate this bill, we had to waive part of the Budget Act. If you need any indication of how bad this bill, is, all you have to realize is that it is just a few votes away from violating another federal statute.

I strongly urge all of you to vigilantly protect against this robbery of the American people, and vote against this passage of H.R. 4579.

Mr. TAYLOR of Mississippi. Mr. Speaker, at 7:00 p.m. on September 25, National Weather Service and civil defense officials indicated that the projected landfall of Hurricane Georges would be somewhere between Baldwin County, Alabama, and Bay St. Louis, Mississippi. Based on this information, Representative SONNY CALLAHAN and I have decided that it would be in the best interest of the constituents we serve to return immediately to our respective congressional districts to make the necessary preparations before this major hurricane strikes. We understand that the House

will consider tomorrow H.R. 4579, the Taxpayer Relief Act. Although we do not share the same opinion on H.R. 4579, I oppose it, both Congressman CALLAHAN and I do realize the important nature of the legislation being considered. However, due to overwhelming threat of impending natural disaster, we plan to go home to help our families and constituents prepare for Hurricane Georges. Therefore, we have decided to pair our votes and depart for our congressional districts.

Mr. Speaker, had I been present I would have voted against H.R. 4579 for the following reasons: there is no surplus. We are $5.5 trillion in debt. Its the first time in 30 years that we haven't had to borrow money to pay for our annual operating deficit. Its not the time to incur new responsibilities.

We still owe $800 billion to the Social Security Trust Fund. When Social Security was started there were 19 contributors for every one recipient. By the year 2025, it is projected that there will be 2 workers for every one Social Security recipient. If we don't repay the debt now, while we can, we never will.

People don't feel they get enough from their tax dollars now. They're right. The biggest chunk of their taxes ($365 billion) goes for interest payments on the national debt (approximately $1 billion per day). The amount of money squandered on interest continues to grow every day. Our taxpayers money will be squandered forever unless we retire the debt.

This is especially bad for national security. These dollars could be better spent replacing 30 year old warplanes, helicopters, ships, and land weapon systems. National defense spending has shrunk since the Republicans took control of Congress. In Fiscal Year 1995, the first fiscal year under the leadership of the new Republican majority, defense budget outlays in constant dollars amounted to $295.4 billion. The Fiscal Year 1999 level of defense outlays in constant dollars is $265.6 billion. That is a $30 billion reduction in constant dollars under Republican leadership. Now, the GOP is dreaming up ways to give tax breaks to rich contributors, instead of addressing our pressing national security needs.

We need to fulfill the promises that have been made. First and foremost, is honoring the promise of a ''lifetime of free medical care'' made to those who served in our nation's armed forces. Just yesterday, the House National Security Committee was informed that the Defense Health Program was underfunded for the next year by $623 million. As you may know, the Defense Health Program provides funding for the treatment of our uniformed service personnel, their families, and military retirees. It also provides funds for the operation of our military medical treatment facilities. It really doesn't surprise me that House Speaker GINGRICH, Senate Majority Leader LOTT, House Budget Committee Chairman KASICH, and Senate Budget Committee Chairman DOMENICI do not consider keeping our promises to our nation's military retirees as important. After all, not one of them served one minute in uniform. However, I do think that fully funding our nation's defense and military health care needs is important. This is where we should be spending any surplus that may be left after we've restored the financial integrity and stability of Social Security.

Mr. VENTO. Mr. Speaker, I rise in strong opposition to this election year GOP tax gimmick that would raid and expend the Social Security Trust Funds and jeopardizes the solvency of the most successful domestic program in our nation's history. The Republican leadership has opted for instant gratification with an untimely and irresponsible tax expenditures that would spend much of the projected federal budget surplus in the midst of the ongoing global economic contagion. In this bill, the Republican Majority breaks the 1997 budget deal and has turned its back on our retirees by reneging on their prior promise and advertised position to ''Save Social Security First.''

This irresponsible bill simply undermines the core effort to protect the solvency of the Social Security Trust Funds and provide sufficient resources to fulfill our commitments to all retirees. I this plan, Republicans spend the first projected budget surplus in almost 30 years on tax cuts. Plain and simple, this GOP action speaks louder than words. Tax breaks and election year gimmicks take first place over a sound Social Security system. Whether or not this surplus will actually materialize is not at all guaranteed. And virtually every economist, inside the government and out, believes that any surplus could be short-term and will vaporize shortly after the Baby Boom generation starts to collect Social Security and Medicare in 2008. It would be foolish to spend any of this money before we have assured the long-range solvency of the Social Security system. Almost every plan that has been offered to date to reform and strengthen the Social Security Trust Funds would use the entire budget surplus. This suggests that the GOP wants to manufacture a Social Security Insurance system crisis to compound and ensure that radical changes will and must occur to this time honored defined benefit program.

Rushing to spend the hard-won and long awaited budget surplus is reckless and irresponsible for several reasons. First, this tax cut plan reduces the amount available for Social Security from $520 billion to $430 billion during the next five years. Next, the Republicans are spending money that is not in the federal government coffers. The surpluses the GOP want to spend is not real; such funds are only projections made by the Congressional Budget Office (CBO) and the Office of Management and Budget (OMB)—the kind of unreliable budget projections that the Republican leadership criticized only a few months ago. The GOP view is colored by partisan motives and has changed as the CBO has made more rosy projections.

Moreover, the recent turmoil in the financial markets and the ongoing economic and financial crises in Russia, Japan and the other Asian Pacific Rim nations, and now, Brazil could have a significant impact on the U.S. economy. This would result in the further weakening of both the stock markets and real economic growth more than CBO expected in the July projections. As a senior Member of the House Banking Committee, I visited southeast Asia last winter and met with political and financial leaders in China, Korea and Japan. Following the trip, I was convinced then and recognize today that the Asian economic contagion is not isolated to Asia. This global crisis will further impact adversely the rosy United States budget picture of today without a doubt.

In response to this partisan and careless Republican tax plan, I support the Democratic alternative tax plan, which safeguards Social Security, is fiscally responsible and invests in our nation's future. Unlike the Republican tax plan, the Democratic alternative sets aside every penny of the projected federal budget surpluses to ensure the long-term solvency of the Social Security Trust Fund, increases the standard deduction for a joint return to an amount equal to twice the amount allowed on a single return to provide some marriage penalty relief and would permanently extend income averaging for farmers by providing a tax relief package that would take effect immediately. Furthermore, the Democratic tax bill would take the entire amount of the Social Security surplus in each fiscal year and transfer it to the Federal Reserve Bank of New York to be held in trust for Social Security. This would safeguard the temptation to expend it on pet tax breaks schemes. Furthermore, this would limit the use of the Social Security surplus and place a control on Congress. Under the bill, Congress would have to default on publicly traded debt instruments before it could default on its obligation to the Social Security system. Moreover, the Democratic bill would really lock up 100% of the Social Security surplus, while the Republican proposal pretends to safeguard 90% of the Social Security Insurance system surplus.

Deciding now to use the surpluses for tax cuts before addressing Social Security's long-term problems will siphon off resources that will be needed to maintain the solvency of the Social Security Trust Fund. Budget surpluses should be reserved until a Social Security Commission, the President and the Congress address the long-term requirements of Social Security. This initiative represents just another step in the Republican agenda to eliminate the Social Security Insurance program and squander away the projected surplus as they cast about for an issue in the upcoming mid-term elections.

Unfortunately, while House Republican leaders praised the concept of ''Saving Social Security First,'' they turned around and then passed a budget that broke this pledge. However, its telling that the Senate has never agreed to this scheme up-front in a budget blue print. This broken promise has led to dissention and differences among their own party and has entrenched the budget conference process with the GOP led Senate, which strongly endorses the President's call to save every penny of the budget surplus to strengthen the Social Security Trust Funds. To date, we have no budget. This is not governing. There is little doubt that the GOP Senate will finally be seduced into accepting tax breaks. However, the Administration and most Democrats will not accept this raid on the Social Security Insurance System. Nothing is going to happen if these surpluses and funds are justified. Such funds will be available once the solvency of Social Security is resolved. Meanwhile, this ''surplus'' will translate into a lower overall national debt. A good positive result that most citizens believe must be reduced.

I urge all members to vote no on this Republican attempt to raid the Social Security Trust Funds for election year tax breaks.

Mr. CONYERS. Mr. Speaker, Social Security is the single most popular federal program ever conceived. It provides millions of seniors with retirement income. But it does more than just pay out retirement benefits. Social Security is a retirement program, a life insurance program and a disability insurance program all

in one. Social Security provides benefits to more than forty-three million Americans each year, only thirty million of whom are retirees. Seven million Social Security beneficiaries receive survivors benefits—one and one-half million of those survivors are children. Five and one-half million Americans receive Social Security disability benefits. Social Security has paid these benefits on time, month after month, like clockwork, for the past sixty years. Social Security has always been there when we have needed it and its our responsibility to ensure that it will always be there in the future.

But now, the part of Social Security which Americans are most worried about is its retirement portion, and with good reason. Since Social Security was created six decades ago, Americans have depended on the ''three-legged stool'' model of retirement planning. The first leg of the stool is personal savings; the second leg of the stool is the employer provided pension plan; and the third leg of the stool has always been Social Security.

Social Security has rightly been considered the bedrock upon which retirement security rests for all Americans. No matter what damage vagaries in the stock market might have on personal savings, no matter what damage employer carelessness or dishonesty might have on pension plans, people have always believed that Social Security would be there, the strongest and most important leg of the stool.

Unfortunately, over the years, the stool has weakened. As income stagnated in the 1970's, Americans had to dip into their retirement savings to pay for their children's education, or put a down payment on a house, or pay for increasing medical costs, thus weakening the first leg of the stool.

Employer provided pension plans are also dwindling with the loss of secure jobs with reliable benefits. Nowadays, less than half of all workers have employer provided pension plans, and those that do are receiving less and less in contributions from their employers, thereby weakening the second leg.

Now, when people are beginning to depend on it the most, some people want to weaken or even saw off that third leg of the stool. Those people say that Social Security will go bankrupt in the next century, that Social Security doesn't pay beneficiaries a high enough rate of return. They believe that instead of fixing Social Security by saving the surplus, and sitting Americans' retirement security firmly on the three-legged stool, Americans would be better off trying to balance their futures on only two legs. I wouldn't try to sit on a two-legged stool, and I wouldn't recommend anybody trying to balance their retirement future on one either.

Right now, some Republicans in this House are mounting an attack on Social Security. Not a direct attack, though they have tried that in the past, but an indirect attack. These Republicans are planning to spend our budget surplus, the first budget surplus we have had for 30 years, on tax cuts. Tax cuts are not necessarily a bad idea. In fact, I would seriously consider supporting some of these tax cuts, if we really had any money to spare. But the fact is that we do not.

The ''surplus'' that some in this House so desperately want to spend on tax cuts is in fact needed to support Social Security once it begins running a deficit early in the next century. The only reason why a surplus exists at all is because the Social Security trust fund is taking in more money than it is spending. But that will change in 2013. That year, Social Security starts paying out more money than it takes in. That year, we will need the money which we should be saving from the surplus to pay for the baby boomers' retirement. The surplus that exists now, and with good economic luck will exist for the next several years, is nothing more and nothing less than our and our children's future.

But there are those who believe that Social Security is not worth saving because its return rate is too low. Social Security is not meant to provide workers with a big bonanza. It is intended to provide an income floor, a minimum below which we will not allow beneficiaries to fall. And it has worked. When Social Security was created, senior citizens were the most poverty stricken group in America. Now only 12% of older Americans are poor. Without Social Security, 42% of older Americans would be poor.

Some may think that Social Security is too conservative. It may not pay out as high a rate of return as more risky and speculative investments. But it is that caution which guarantees that Social Security will be there for all of us when we retire or are injured or the person we depend on to provide for us dies. So if the stock market fails us, if our savings are eaten up by illness, if our pension plan disappears, we will be still able to live with dignity.

When you are already at retirement age, there are no second chances. There is no time to build up a new nest egg. There is no time to play the stock market for big returns. You retire with what you've got, and if there is no Social Security, and you've made a mistake in the stock market and your employer took the pension money and ran, you've got nothing. Nothing at all to fall back on. Our mothers, our fathers, our brothers, our sisters, our sons and our daughters, all of us deserve better than that.

Don't let the short term gratification of a fleeting tax cut distract us from saving for our future. Before we consider cutting taxes, save Social Security first.

Mr. BORSKI. Mr. Speaker, I rise today in opposition to H.R. 4578, the so-called Save Social Security Act. This legislation is an assault on one of the most successful government programs in American history—the Social Security program.

H.R. 4578 would rob Social Security recipients of the very benefits that they earned through their hard work and dedication. This bill sets up a separate account for Social Security, and requires the Treasury Department to deposit only 90% of the currently projected surplus in that account. There are several problems with this bill. First, the bill does not protect the Social Security Trust Fund—it does not prevent these funds from being used for additional tax cuts or spending increases in the future. Secondly, it does not reserve the full amount of money that Social Security has accumulated. None of the projected surpluses should be touched until the long-term solvency of Social Security has been fully secured.

As the representative from the 20th oldest district in the nation, I have always let the thoughts and views of my senior constituency guide me through my legislative decisions. More than 113,000 individuals in my District rely on the benefits of Social Security. They depend on this sacred program on a daily basis and I have consequently worked my hardest to ensure the solvency of their program! Today was one of the most offensive attacks on the Social Security program that I have witnessed thus far in my 16 years of working in the House. The seniors in my district have asked me to vote against this fraud of a bill—it does not adequately protect their hard earned money.

I believe that the Social Security program must remain sacrosanct and excluded from budgetary gimmicks. Let us do what is right by reserving every penny of the Social Security Trust Fund for the people that contributed to its solvency. It is not our money to waste, but it is our money to protect. This Republican bill does not properly address the current issues facing Social Security. Instead of safeguarding current Social Security funds, these Members would rather jeopardize this remarkable program with a false plan to assure their existence.

As a true Representative of the Pennsylvania's Third District, I will do all I can to Save Social Security the right way! I suggest that all Members of this body do the same by concerning themselves will valid legislation that will focus on strengthening our current Social Security system that has been successful for more than 60 years. It has provided a sense of certainty for more than 160 million workers and their families. Let us Save Social Security First, not last.

Mr. COSTELLO. Mr. Speaker, I rise today in strong opposition to H.R. 4578, the ''Save Social Security Act''. The title of this legislation gives the impression that it will actually save Social Security when, in fact, the Republican leadership has called this legislation up for a vote to take away 10% of any budget surplus from Social Security. The passage of this bill is a slap in the face to the millions of Americans who have paid into Social Security their entire working lives.

This legislation is another attempt by the Republican-led Congress to undermine our safety-net programs. It is not fair to spend the projected surplus on tax cuts when Social Security is in need of shoring up for the upcoming baby-boom generation. Of the projected surplus of $1.6 Trillion, 98% is generated by payroll taxes for Social Security. If it wasn't for Social Security, the federal budget would have an estimated deficit of $137 Billion over the next five years.

Mr. Speaker, I believe we should solve the long-term Social Security Trust Fund solvency problems before we pay for tax cuts out of a surplus funded by Social Security. I support tax cuts for marriage penalty relief, self-employed health insurance deduction, education and child care tax credits, however, I believe it must be paid for through responsible fiscal planning.

I urge my colleagues to oppose this legislation and ensure Social Security benefits for generations to come.

Mr. SMITH of Michigan. Mr. Speaker, the ''Protect Social Security Account'' developed in H.R. 4578 should increase awareness of the Social Security problem. However, the legislation does nothing to solve the problem.

The bill requires the Secretary of Treasury to make annual nonnegotiable ''IOUs'' to this new account each fiscal year from 1998 to 2008. The new government debt owed to this ''Protect Social Security Account'' would equal

90% of the projected total unified budget surplus for each of those fiscal years.

In addition, the Treasury will make out IOUs to the Social Security Trust Fund for its annual surplus, as it has done in the past. The Social Security tax revenues surplus, which is the social security taxes in excess of benefit payments for that year, is a major part of any unified budget surplus. This means we are creating a $1.90 in debt for every dollar borrowed in those years that the unified budget surplus is greater then the Social Security surplus. Total government debt will increase faster than if the new account was not established. In other words, the increased debt to the Social Security trust fund will be about $80 billion for the 1998 fiscal year. Because the calculations for government IOUs into the ''Protect Social Security Account'' is 90% of the unified budget surplus in most years, there is double accounting for government indebtedness for the same money. That results in total debt going up faster than it otherwise would. The Congressional Budget Office (CBO) estimates that Congress and the President will have to increase the existing $5.95 trillion in debt ceiling two years earlier if this bill would become law 2001 instead of 2003. Ironically, the more unified budget surplus that is spent by government, the less debt subject to debt limit there would be.

There will never be any actual money that is going into this account, just more IOUs. I am voting for the Rangel substitute because it has the effect of investing the Social Security surplus in marketable bonds as does my bill, H.R. 4033. I am voting for H.R. 4578 in the hopes that a future Congress will pay back the debt in the ''Protect Social Security Account'' to help solve the Social Security problem. We should all recognize that by the year 2008 the general fund of the Treasury will owe $2.252 trillion to the Social Security Trust Fund. This does not include the money that will be owed to the new fund. Unless there are sufficient resources in the general fund of the Treasury to repay that borrowing, the ability to pay the promised Social Security benefits will be threatened.

The fact is, none of the rhetoric by Republicans or Democrats or the President that we should save the surplus to save Social Security does anything to fix Social Security. The legislation I introduced (H.R. 3082) has been scored by the Social Security actuaries to keep Social Security solvent.

Others that have done real work to save Social Security include Representatives STENHOLM, KOLBE, SANFORD, and PORTER, and Senators MOYNIHAN, KERREY (NE), GREGG, BREAUX, GRAMM, and DOMENICI. I applaud all of their efforts. I acknowledge the tremendous increase in awareness that the President has helped stimulate by announcing in his State of the Union address last February that we've got to save Social Security. As Chairman of the bipartisan task force on Social Security, I am setting our first goal to be a discussion of the real facts and the real problem of the current system.

Senator MOYNIHAN said during Social Security reform discussions in 1983, ''Everyone is entitled to their own opinion. However, no one is entitled to his own set of the facts.'' If we can have honest bipartisan discussion of the issue, and if we can increase public understanding, then we can pass real Social Security reform legislation in 1999. That is important, because the longer we put off the resolution, the most drastic the changes will have to be.

Mr. HILL. Mr. Speaker, I am in full agreement with the goal of reducing taxes on hard-working American families. The Republican way of reducing taxes is by reducing spending and reducing government. That's why I voted earlier for a budget that reduced spending for these tax cuts.

But the President likes to say, from one side of his mouth, that he wants to save Social Security. Yet, from the other side of his mouth, he calls for billions of dollars of new spending from the Social Security Trust Fund.

Senate Democrats claim they want to save Social Security while proposing to spend Social Security taxes on increased spending.

And my own Republican leadership wants to cut taxes—offsetting the cuts with the Social Security Trust Fund.

On this issue, I say: A pox on all their houses.

I want tax cuts. I support these tax cuts. I just don't want them funded out of Social Security taxes.

I had hoped that the leadership would find a way to phase in tax cuts from the projected surplus in the general fund, but this plan does not do that.

When I was in business, we had good years and we had bad years. Sometimes we needed to borrow money to get through the lean times. But every businessman knows that you don't raid the employees' pension fund to meet payroll.

In the 40 years that Democrats controlled Congress they raided Social Security for other programs. It was wrong. It's still wrong. And that's why this measure is wrong today.

I'm not voting with the Democrats today. They can't wait for the chance to spend the Social Security Trust Fund on more government programs. But his vote today underscores the need to put this money into personal accounts for each and every American. Those accounts should be personalized with the name of an individual, not the name of Congress.

I will not support this legislation today. Not because I don't support the tax cuts, but because Montanans tell me the real path to tax reduction is to reduce the size of government.

Mr. THOMPSON. Mr. Speaker, the budget surplus which will be obtained this year is the greatest achievement of common sense and foresight in decades. While much of the world around us flounders in economic chaos, the United States' economy continues to drive forward, largely due to this success.

Now we are casting to the wind the same common sense planning—and if I might add, conservative policies—which eliminated the budget deficit and created the budget surplus. Six weeks away from the election we are voting on tax cuts, many of which I admittedly support and would like to see enacted, even though we can not yet pay for them without taking money needed for saving Social Security.

The truth is that we only have a budget surplus today because a surplus exists in the Social Security Trust Fund. According to the Congressional Budget Office, 98% of the budget surplus from 1999 to 2008 will come from the surplus in the Social Security Trust Fund. Only 2% will come from non-Social Security sources. However, this surplus is only temporary. The hordes of retiring ''Baby Boomers'' will draw heavily on Social Security, and the Trust Fund will become bankrupt by 2032.

The Democratic Substitute to the Republican's so-called ''Save Social Security Act'' we are now considering makes a very simple proposal: we set aside 100% of the budget surplus in a special fund to be used solely for keeping the Social Security Trust Fund solvent until a long term solution can be found. The Republican bill, on the other hand, will take the surplus which really belongs to Social Security and use it for funding the tax cuts we will vote on tomorrow.

The Republican proposal risks Social Security and it risks America's future. What happens if the worldwide economic crises seriously affected American markets and the surplus turns out to be less than predicted? The result, I fear, will be less than welcome. We will be stuck with these new tax cuts, which I know this House will not have the political capital to repeal. We will return to the days of budget deficits, and our economy will be trapped in the same cycle of stagnant growth we thought we left behind when the last recession ended six years ago.

In recent years the improving economy has permitted the vast majority of Americans to cast aside their fears and look towards their future with renewed hope and newly minted dreams. I hope that either this House or the more sensible policy-makers in this city reject the risky political games we are playing and return to the common sense that has served us well to date. Let us save Social Security first and enact tax cuts when we can pay for them.

Mr. RAMSTAD. Mr. Speaker, I would like to dispel some of the misleading hyperbole the American people are being fed today. Americans are sick of political double talk. They want the truth—so here it is.

This surplus we are talking about here today—do you know where it came from? It came from you—your hard earned pay checks, your savings accounts, your investments and even the deaths of your family members and friends. It's not the government's money—it's yours!

You know what happens to your money when it gets to Washington? Well, for the last 40+ years, the Democratic majority spent it—spent well above it—and often wasted it. In fact, if it weren't for the Republican majority you elected, we wouldn't even be standing here today talking about a surplus or how to use the excess taxes you have sent us.

You deserve some of your money back. And, yes, your money—$1.4 trillion—should also go toward preserving and protecting Social Security. Both can be done.

Let me reassure you right now that under the bill before us today, fully 90% of your surplus goes into a ''Protect Social Security Account.'' Some $1.4 trillion of your money is set aside until we pass legislation to ensure the long term solvency of Social Security.

And do you know what the impact on the Social Security Trust Fund will be from giving you back 10% of your money? None. Let me repeat that. None. The Social Security Trust Fund will not lose one dime by passing this legislation today and the tax bill tomorrow. Not a penny.

So, to recap the truth for Americans sick of all the political legalese and double talk: Passing this legislation gives you, the overtaxed

American, 10% of your money back. It secures 90% of your money in a new account to be used for preserving and protecting your Social Security program. Let's pass the ''Save Social Security Act.''

Ms. DELAURO. Mr. Speaker, Social Security is one of our Nation's greatest success stories. It is the financial bedrock for our country's elderly, and for all hard working American families who want to retire with some peace of mind. Two-thirds of our seniors depend on Social Security for more than half their retirement income.

But right now, Social Security is under attack: this bill would raid Social Security to pay for a tax bill. The Archer bill pays for its tax plan with money from the Social Security Trust Fund—money that Americans have invested for their retirements, money that the program needs for long-term survival. I believe in tax cuts, but I believe we must protect the Social Security Trust fund first. We cannot undermine our retirement security for the sake of ten cents per day today.

I urge my colleagues: don't be irresponsible. Protect our Social Security trust fund, and protect our retirement savings. Vote for the Rangel tax cut, which ensures the solvency of the Social Security trust fund. Oppose the Archer Social Security raid.

Mr. COYNE. Mr. Speaker, I rise in opposition to this misguided legislation. It combines commendable tax cuts with an unacceptable funding mechanism. The bill would take money from the Social Security Trust Fund to pay for these tax cuts. I consider this a fatal flaw.

This bill is the legislative equivalent of the Trojan Horse. It contains a collection of tax cuts that Democrats would usually support. Most of the tax cuts contained in H.R. 4579 have, in fact, been proposed and supported by Democrats in the past. The marriage penalty provision is similar to one offered by Representative MCDERMOTT during the Ways and Means Committee mark-up of the 1997 Taxpayer Relief Act—and rejected unanimously by the Republicans on the Committee. The same is true of the 100 percent deduction for health insurance for the self-employed. Similarly, I do not think that anyone is opposed to extending the expiring tax provisions contained in H.R. 4579—they are non-controversial, and most of us have voted to extend these provisions a number of times. The provision in the bill which would allow non-refundable credits against the alternative minimum tax is similar to a change proposed in legislation introduced recently by Representative NEAL. And the provision assisting military personnel who sell their homes after returning from temporary postings is similar to a change recommended by the Administration earlier this year.

The problem with this bill, of course, is not primarily with the proposed tax relief, but rather with the way that this tax relief would be paid for—with money from the Social Security Trust Fund.

The Federal Government is expected to collect $1.6 trillion more in revenues than it is projected to spend in outlays over the next ten years. That figure, however, hides the fact that the Federal operating budget—the budget excluding Social Security—is projected to run a surplus of only $31 billion over the next ten years, and that in fact it is not even expected to produce a significant surplus until the year 2006. The reason that CBO has projected a unified Federal budget surplus for fiscal year 1998 and the subsequent 5 years is that the Social Security trust fund is currently running a surplus of over $100 billion annually. Without the surplus in the Social Security trust fund, the Federal Government is actually projected to run a deficit of $137 billion over the next five years.

The point that my colleagues on the other side of the aisle forget or choose to ignore is that after 2010, first the unified Federal budget and then the Social Security Trust Fund begin to run huge deficits as the number of Social Security beneficiaries doubles from 40 million to 80 million. In fact, even counting the projected trust fund surpluses, outlays for Social Security are expected to exceed receipts by trillions of dollars over the next 75 years.

Moreover, there is no guarantee that the projected $1.6 trillion surplus is going to materialize at all. CBO has estimated that a recession next year could change the projected surplus of $520 billion over the next five years to a deficit of $44 billion. I think that, given the current global economic uncertainty, it would be wise for Congress to actually run a surplus before it spends it.

Mr. Speaker, we all support taxpayer relief. And I suspect that we all would agree on the need to preserve Social Security. The question before us today is whether we should reduce the amount of money in the Social Security Trust Fund before we have taken action to ensure the program's future solvency. I do not think that we should. Most experts agree that we will need the surplus—and then some—to keep Social Security solvent in the next century.

43 percent of retiree households in my congressional district depend on Social Security for all of their retirement income. That means that roughly 33,000 people are living on an average of $9,000 a year. The 45,000 retirees who have pensions or income from savings get by on an average yearly income of about $16,000 a year. We shouldn't risk the retirement security of millions of senior citizens in order to score political points in an election year. We don't have the right. Consequently, I urge my colleagues to resist the temptation to spend money from the Social Security Trust Fund to pay for tax cuts—no matter how meritorious those tax cuts might be—until we enact legislation that ensures the future security of Social Security. If we restore Social Security's financial health next year—and if it looks like we won't need all of the money in the trust fund to pay out benefits—then we might want to take a look at lowering the Social Security payroll tax rate. That might be the fairest tax cut financed by Social Security receipts. I do not think that such a situation is likely, but I would be pleased if it turned out to be the case. Short of such a remarkable turn of events, I urge my colleagues to keep their hands out of the Social Security Trust Fund.

Instead of this ill-advised bill, Congress should enact legislation before it adjourns that will wall off the Social Security Trust Fund surplus. Then, next year, this body can work to craft a long-term solution that will ensure the solvency of Social Security. If we follow such a course, Social Security will be able to continue paying out benefits for the foreseeable future.

I will support the Democratic alternative. The Democratic amendment to H.R. 4579 would allow all of the tax cuts contained in the original bill—but it would delay these tax cuts until the Social Security trustees certify that Social Security will be solvent for the next 75 years and OMB certifies that the Federal budget—excluding the Social Security trust fund suplus—is running a surplus and will continue to run a deficit for the following five years. The Democratic amendment to H.R. 4578 would take all of the surplus in the Social Security trust fund—100 percent of it, not merely 90 percent—and lock it away in an account at the Federal Reserve Bank of New York where it would earn interest at the market rate. By putting the money in this ''lock box'' account, Congress could ensure that it wouldn't be spent on other programs—as many of my Republican colleagues fear—or on tax cuts benefitting the well-to-do—as many of my Democratic colleagues fear. The difference between 90 percent and 100 percent of the trust fund surplus may sound insignificant at first blush, but once one realizes that 10 percent of the projected Social Security surplus amounts to over $160 billion, the importance of preserving this money for Social Security becomes clear. Diverting $160 billion from the Social Security program is not responsible. It is not reasonable. It is outrageous. It is nothing short of a raid on our children's future.

I urge my colleagues to join me in exercising restraint, foresight, and fiscal conservatism. Save the surplus—and preserve Social Security.

Mr. POSHARD. Mr. Speaker, I rise today to oppose this legislation. When I came to Congress 10 years ago, my foremost priority was to work towards balancing the Federal budget. As I prepare to leave this institution, I am very proud of the fact that this goal has been reached during my tenure. But reaching a balanced budget is only the first step. We must continue to pursue fiscally responsible policies to ensure that we can accomplish related objectives, such as maintaining a solvent Social Security program for today's seniors and future retirees, and saving our children from an increasing mountain of debt.

I am not opposed to tax cuts. I supported them in the Balanced Budget Act last year, and I have been a forceful advocate for some of the proposals us today, especially the 100% deductibility of health insurance costs for the self-employed. But this is not the time to be considering these measures. I fear this vote has political motivations, and the subject is too dear to me and critical to the country. We must be certain that Social Security is properly funded, that our parents, our friends, and our neighbors that rely on that program can continue to depend on it. Let us do the right thing here today, I urge my colleagues to preserve the Social Security trust fund for its intended purpose, and support the Rangel substitute.

Ms. MCCARTHY of Missouri. Mr. Speaker, I rise today to support the Rangel Democratic Amendment and oppose H.R. 4578. I strongly support the Democratic Amendment which would create an account at the Federal Reserve Bank for the entire Social Security surplus.

It is fiscally irresponsible for Congress to spend any of the anticipated surplus before we have addressed the long-term retirement needs of working men and women, or before the surplus has even materialized.

In order to claim a budget surplus, the majority will use money from the Social Security

trust fund. We cannot let this happen. We must restore the $9 trillion in unfunded liability owed to individuals who have paid into this most successful government program all of their working lives.

Mr. RANGEL's Amendment would transfer 100% of any Social Security surpluses to the Federal Reserve Bank of New York to be held in trust for the Social Security system.

Congress should stand firm to ensure that Social Security will remain strong for future generations. I urge my colleagues to support the Democratic Amendment sponsored by the gentleman from New York, Mr. RANGEL. Mr. Speaker, we need to save Social Security first.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise to oppose H.R. 4578, which contains the Republicans' plan to save Social Security. I oppose it because it is a job incomplete.

It is not a coincidence that this bill is being brought to the floor at the end of the session, and immediately before the House will consider a Republican bill that spends a significant portion of the Social Security surplus on a tax cut.

This bill comes to the floor only because the Republicans must have some response ready for the millions of Americans that they plan on taking money from tomorrow, when we debate the Republican Tax bill. They want to be able to say that they voted to save 90% of the budget surplus to Social Security.

Ninety-percent sure sounds good. It sounds like a good score on an exam, but this is not an exam. This is the money of the American people. This is money that should all be put into a safe place, away from politicians, especially in election years.

Furthermore, this Republican plan does not really take the Social Security Trust Fund off-budget. This means that not even the 90% that they claim is safe, is truly safe. It is still reachable by Congress when the next election-cycle comes around. We need legislation that puts the money of the American people in a truly safe place, like a Federal Reserve bank.

Democrats, on the other hand, are committed to preserving all, that means 100%, of the budget surplus for Social Security. That is because we know that this money is not really a surplus. It is, rather, a debt. A debt that we owe to all of the Americans that have dutifully paid into this plan over their entire careers.

The Chairman says, ''Let's be conservative.'' The trouble is the Chairman's proposal is not conservative enough. The most conservative thing to do is to take all of the surplus money and lock it away, until we know that Social Security is saved.

This is not money that we should be using to play election-year politics. I urge all of you to vote against this bill, and for the democratic substitute.

Mr. BEREUTER. Mr. Speaker, this Member rises today to express his support for H.R. 4578. This bill ensures that funds are saved for Social Security, while at the same time allowing taxpayers nationwide to benefit from a Federal income tax cut in H.R. 4579.

It is projected that we will have a $1.6 trillion surplus in the Federal budget. House Resolution 4578 would set aside 90% of the budget surplus, $1.4 trillion, to protect the Social Security system by depositing this amount into a new Treasury account entitled the ''Protect Social Security Account.'' The Social Security system is a supplemental retirement benefit to recipients for their life of diligent service and dedication to their jobs, their families, and their community. Accordingly, H.R. 4578 will help stabilize the Social Security system from the threat of permanent insolvency. In turn, H.R. 4578 will help to ensure that the future inheritors of the Social Security system reap a harvest from the seeds of hard work and toil that they will sow as time progresses.

In closing, H.R. 4578 is certainly one important step forward in ensuring a sound Social Security system for future beneficiaries. This Member encourages a ''yea'' vote for H.R. 4578.

Mr. DAVIS of Illinois. Mr. Speaker, I rise today against the Republican Social Security bill because it raids the Social Security Trust Fund in order to provide Republican tax cuts, six weeks before an election. These tax cuts are a short-term, one-shot use of the surplus.

Mr. Speaker, this is wrong. Those working-class Americans who have paid into the Social Security Trust Fund deserve to have Social Security for them.

Social Security has provided benefits to more than 160 million workers and their families since the program began in 1940. Without this vital program, half of our Nation's elderly would live in poverty. Two-thirds of our Nation's elderly depend on Social Security for one half or more of their income.

Make no mistake about it. The issue is not whether cutting taxes aimed for reduction should or should not be cut certain reductions might be beneficial. The heart of the matter is, it is unacceptable to finance the tax cut package with Social Security funds.

Mr. Speaker, I urge my colleagues on both sides of the aisle to stand up for the elderly and the working poor—preserve 100% of the surplus for Social Security. They have been there for us, let us not let them down and leave them behind now.

The SPEAKER pro tempore. All time for debate has expired.

It is now in order to consider the amendment numbered 1 printed in the CONGRESSIONAL RECORD.

AMENDMENT NO. 1 IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. RANGEL

Mr. RANGEL. Mr. Speaker, I offer an amendment in the nature of a substitute.

The SPEAKER pro tempore. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment No. 1 in the nature of a substitute offered by Mr. RANGEL:

Strike all after the enacting clause and insert the following:

SECTION 1. RESERVATION OF SOCIAL SECURITY SURPLUSES SOLELY FOR SOCIAL SECURITY SYSTEM.

(a) IN GENERAL.—Section 201 of the Social Security Act (42 U.S.C. 401) is amended by adding at the end the following new subsection:

''(n)(1) The Secretary of the Treasury, before the beginning of each fiscal year, shall estimate the amount of the Social Security surplus for such year. For purposes of this subsection, the term 'Social Security surplus' means the excess of the receipts in the Trust Funds during the fiscal year (including interest on obligations held in such funds) over the outlays from such funds during such year:

''(2) If the Secretary of the Treasury determines that there is a Social Security surplus for any fiscal year, such Secretary shall transfer during such year from the General fund of the Treasury an amount equal to the amount of the surplus to the Federal Reserve Bank of New York. Such transfer shall be made monthly on the basis of estimates by the Secretary of the Treasury of the portion of the surplus attributable to the month, and proper adjustments shall be made in amounts, subsequently transferred to the extent prior estimates were in excess of or less than amounts required to be transferred. Amounts transferred under this paragraph shall substitute for (and be in lieu of) equivalent amounts otherwise required to be transferred to the Trust Funds.

''(3) The Federal Reserve Bank of New York shall hold the amounts transferred under paragraph (2), and all income from investment thereof, in trust for the benefit of the Trust Funds. Amounts so held shall be invested in marketable obligations of the United States with maturities that the Managing Trustee determines are consistent with the requirements of the Trust Funds. Amounts held in trust under this paragraph (and earnings thereon) shall be treated as part of the balance of the Trust Funds.

''(4) If, at any time, any obligation acquired under paragraph (2) has a market value less than its acquisition cost by reason of a change in interest rates, the Federal Reserve Bank of New York may, at any time, present such obligation to the Secretary of the Treasury for redemption, notwithstanding the maturity date or any other requirement relating to such obligation, and the Secretary of the Treasury shall redeem such obligation for an amount that is not less than such acquisition cost.

''(5) Upon request by the Managing Trustee, the Federal Reserve Bank of New York shall transfer to the appropriate Trust Fund the amount determined by the Managing Trustee to be necessary to meet the obligations of such Fund.

''(6) All transfers to the Federal Reserve Bank of New York under paragraph (2) shall be treated as Federal outlays for all budgetary purposes of the United States Government, except that such transfers shall not be subject to section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 and all transfers to the Trust Funds under paragraph (5) shall be treated as offsetting receipts.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to fiscal years beginning on or after October 1, 1998.

Amend the title so as to read: ''A bill to reserve 100 percent of the social security surpluses solely for the Social Security System.''.

The SPEAKER pro tempore. Pursuant to House Resolution 552, the gentleman from New York (Mr. RANGEL) and a Member opposed, each will control 30 minutes.

The Chair recognizes the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Earlier in the debate, somebody said the only difference between the bills is that I wanted 100 percent and the Republicans wanted 90 percent. That is not the only difference, because, in this substitute, we take that 100 percent, not just merely put it in a separate accounting system in the Social Security trust fund, as I once supported, but we take it away completely from the opportunity of politicians, Republican or Democrats, and lock it into the Federal Reserve Bank so that it cannot be touched.

But I would just like to say, with all of this display of currency on the floor, that we should recognize for those who have the $40, that the 40 bucks was owed to the Social Security trust fund. We have not used the money that has been collected for the trust fund. We have used it for other things.

So if Members want to say the only difference between Republicans and Democrats is they want a total commitment to the system and Republicans want a partial commitment, then we may be closer to the facts, because we say that after we fix Social Security first, then we would trigger the exciting and the ever-inviting tax cuts, as my colleagues in the majority have suggested.

Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. TRAFICANT).

(Mr. TRAFICANT asked and was given permission to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, I, for one, do not question the reasons or demean the intentions at all of the gentleman from Texas (Mr. ARCHER), the Republicans and the former speaker the gentleman from Ohio (Mr. KASICH). I think the gentleman from Texas (Mr. ARCHER) is a great chairman, and I think America is very fortunate to have the gentleman from Texas (Mr. ARCHER) and the gentleman from New York (Mr. RANGEL), two of the best.

I want to talk taxes today. I voted for the previous tax cuts. They made sense. Social Security is funded by its own tax. That tax is to ensure the solvency of Social Security. I philosophically and in my heart believe that not one of those pennies should be used for anything else.

Having said that, let us take a look at the situation in America today. I can remember from my devastated community, when the CEOs of the companies were so desperate to try and save their companies, they used the pension funds, maybe with good intentions. The economy slumped, and retirees lost their pensions, and Congress had to bail them out.

Let me caution Congress today about this so-called booming economy. This just may be a paper tiger. It seems to me if Wall Street sneezes, the world catches pneumonia and Social Security, once again, needs an ambulance.

The Archer plan is a good plan. The Rangel plan is a good plan. Today I am going to support the Rangel plan for one major reason: The Rangel plan is the safest and the most pragmatic for our country.

I will support the Archer plan. It is one of the best tax packages brought before this Congress, without a doubt. I will support it when you find the money elsewhere or after you have implemented the safeguards brought forth by the gentleman from New York (Mr. RANGEL).

I think we should leave the politics aside today. This is not Rotary. Republicans are not trying to rip us off. Democrats are not trying to stop a tax cut. We have a difference of philosophy on this and a difference of opinion.

I honestly believe there would be a budget deficit without the Social Security monies of surplus. Let us take care of Social Security. Let us make it solvent. Then let us go on to the Nation's business, to cut taxes or, if necessary, find that money elsewhere.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

When I was first appointed to the Committee on Ways and Means in January of 1973, I took an immediate interest in Social Security. There was no subcommittee then, but I knew how vital it was, not just to current retirees but to future generations, the most important program the Federal Government has.

As a result of that, I was appointed by Ronald Reagan to the Social Security Commission in 1982. No one in this body recognizes more the importance of Social Security and how sacred it is. So let it be clear that there is a determination on my part and the part of the majority to protect, to guard, to reform and to save Social Security.

But what we are talking about today is a different issue. No one should be fooled about it. If I believed, as my friend from Ohio said, that this is the only safe way to move, I would not be here urging an alternative. But the Rangel scheme will not dedicate 100 percent of the surplus to Social Security. Why? Because surplus, in his definition, is only what is left over after all of the spending that is urged upon the Congress occurs in each year. It is an open door to pave the way for Democrats to increase government spending, reduce the surplus that is available in each year and, at the same time, expand the size of government and grow the bureaucracy, grow the power of Washington, as my friend, the gentleman from Ohio (Mr. KASICH) said.

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Save 100 percent of the surplus for Social Security? How can they claim to support saving every penny when President Clinton is leading the charge to spend the surplus now? Extrapolated over a five-year period, the additional spending this year alone could well reach $100 billion of surplus that will not be there when they are through. The President has already spent $2.9 billion from the surplus to help the people in Bosnia. That was not an emergency. We knew ahead of time, for at least a year, that those moneys would have to be spent. Yet it was okay to spend the surplus on the people of Bosnia. And already this fall the President has asked Congress to spend $13 billion in additional surplus money on other government programs some claimed to be emergency, and yet clearly were planned in advance, known in advance and should have been paid for in advance.

Mr. Speaker, if it is acceptable for the Democrats to spend the surplus on the people of Bosnia, why do they oppose using it to give tax relief to the taxpayers of America who send it here in the first place? It is not our money. It is their money.

Do not be fooled. This substitute is a risky scheme to squander the surplus on more government while denying tax relief to husbands and wives, farmers and ranchers, senior citizens and small businesses.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri (Mr. GEPHARDT) our minority leader.

(Mr. GEPHARDT asked and was given permission to revise and extend his remarks.)

Mr. GEPHARDT. Mr. Speaker, I urge my colleagues to vote for the Democratic substitute offered by the gentleman from New York (Mr. RANGEL) that will truly save the surplus for Social Security. I challenge my Republican colleagues to put the money where their mouths are. Join with Democrats in using all of the surplus to save Social Security first.

Republicans talk a big game in election years when it comes to protecting Social Security. Listening to their rhetoric today, one would have thought that they were the ones who came up with the idea of Social Security in the first place. They did not. Republicans fought it in the 1930s and they are fighting it again in the 1990s. They want to weaken it by eroding its financial stability. They want to starve Social Security so that it withers on the vine. That is exactly what the Republican bill does. It puts Social Security second. It raises and raids funds from the Social Security trust fund to further their ultimate goal, killing the system that lifts millions of our senior citizens out of poverty. This is the first step in their plan to transform Social Security from a guaranteed fundamental bedrock into a crapshoot in the markets. They are not really committed to saving Social Security.

All one has to do is take a look at the Republican bill today to see how weak their commitment to Social Security really is. If you are really committed to something, you stand 100 percent behind it. You do not go halfway in fighting for your bedrock values. You do not go almost all the way. You go all the way. But the Republicans' 90 percent solution does not really protect the crown jewel of our efforts, to make sure that seniors can live in respect and dignity no matter what. Republicans only want to throw Social Security a string instead of a lifeline. And Republicans only want to go the whole eight yards to save Social Security. In baseball, 90 percent of the way only gets you a pop-out on the warning track, not a home run. We want to knock this ball straight out of the park.

Democrats are 100 percent committed to Social Security. We are going to

dedicate the entire surplus to saving Social Security, not just part of it, not just 90 percent of it. It is important that we stop these Republican raiders in their tracks, because this year they will steal 10 percent of the surplus from Social Security and next year they will come back and try to get more. The gentleman from Texas (Mr. ARCHER) has said so himself. ''As long as there is a Republican majority,'' he said in a press conference, ''we're going to have a tax cut every year.'' He said, ''We need to take a stand now.'' Well, I think we need to take a stand now and show the American people that we will save all, 100 percent, of the surplus for Social Security.

When you have a jewel, you do not keep it on your kitchen table. You lock it up in a safe deposit box. That is exactly what we want to do with the surplus for Social Security. Our substitute puts the money under lock and key, at the Federal Reserve Bank, so that neither Republicans nor Democrats nor anyone will be able to get their hands on it.

Let us take the surplus away from the Republicans. Let us shore up the system and show the American people that we can save Social Security first.

Mr. ARCHER. Mr. Speaker, I yield 3 minutes to the gentleman from Louisiana (Mr. MCCRERY) another respected member of the Committee on Ways and Means.

Mr. MCCRERY. Mr. Speaker, much of the debate here today has been misleading, to say the least, including the remarks of the previous speaker.

Look. Democrats, I believe, do want to preserve Social Security. So do Republicans. There is no difference. We both want to preserve Social Security. The difference is that for 40 years of Democrat control, they ran a deficit. They spent more at the Federal level than we took in, mounting up a debt on which we had to pay interest and, of course, we could not use that money for Social Security or anything else. So if they had remained in control and continued 40 years of history, of spending more than they were taking in, the only solution to Social Security would have been to raise taxes. Thankfully Republicans gained control of the legislative branch 3½ years ago, and thanks to our fiscal policies getting government spending under control, we are now running a surplus. We are bringing more money into the Federal Government than we are spending for the first time in 30 something years. So, thanks to our policies, we now have an opportunity to save Social Security, to preserve Social Security that the Democrats want to do and that we want to do, but our way to do it is to use the surplus to finance a transition from the current Social Security program to one that will be smarter, use our money more wisely and even give people back more than they are getting now from the Social Security system.

If we take a look at the solutions that have been proposed, none of them spend the entire projected surplus for the next 10 years. They range anywhere from about $650 billion to $900 billion. So we want to use that money to transition to a new Social Security system that will give people more and at least preserve what they have got now. That should be the debate, and that will be the debate, I hope, over the next couple of years, how to preserve the Social Security system. What we have heard here today is a bunch of poppycock and I am tired of it.

Let us be honest. Republicans want to save Social Security, Democrats want to save Social Security. Thanks to our fiscal policies, we now have a chance to do that without raising taxes, and I am thankful for that. Dadgum.

Let me just speak for a minute about the substitute that we are debating now. If the gentleman from Ohio (Mr. TRAFICANT) is correct and if the gentleman from Missouri (Mr. GEPHARDT) is correct and we are really going to lock that money up in the Federal Reserve in New York, well, guess what? Under the wording of the Rangel substitute, we are not only going to lock up the unified budget surplus, we are going to lock up the Social Security surplus. That is what it says. So if the Social Security surplus is more than the unified budget surplus, which it is over the next five years, you are going to have to come up with some spending cuts to finance your plan. What are you going to cut, Medicare? Give me a break.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. STENHOLM), one of the strongest supporters of our Social Security system.

(Mr. STENHOLM asked and was given permission to revise and extend his remarks.)

Mr. STENHOLM. Mr. Speaker, I am holding up 10 one-dollar bills. But as you can see, there are none there. Because we do not have a surplus to distribute as yet from anywhere. All of what we are talking about today is projected. Projected.

Let me remind all of us now the facts, because my colleague from Texas is a little sensitive about raiding, and I will not use that, because I agree with him, to a point. But when you have a projected surplus of $520 billion over the next five years, of which $657 billion of the $520 are Social Security trust funds, what else can you define the utilization of those funds other than misuse of Social Security trust fund?

Now, my colleague from Louisiana, I happen to agree with the tone of his comments a moment ago, because I do agree. I have been working with a lot of folks on his side of the aisle on the long term of Social Security. That is why I stand here today absolutely supporting the Rangel substitute and absolutely supporting not supporting the tax cut. Because anyone that has spent any time at all looking at what it is going to take to transcend into a new and survivable Social Security system knows there are transition costs up front that have to be paid for. I challenge anyone, and I would be glad to yield to anybody that would challenge me on anything that I have said thus far. Because anyone, and I know the chairman of the committee has worked on this and the gentleman from Kentucky (Mr. BUNNING) about to speak has worked on this and I believe he will agree. If we are going to solve the long-term problems of Social Security, we have got to have some transition costs. That is why I oppose a short-term political fix of a tax cut because I want to spend the money on Social Security. Because we cannot get from where we are to where we want to be unless we do that.

No one as yet has talked about the debt, $5.4 trillion, and we can point the fingers at what caused it. I am reminded when I point my finger, there are three pointing back at me. But no one also has talked about the $9 trillion unfunded liability of the Social Security system. That is why some of us are so opposed to a tax cut right now, 60 days before an election, because we want to start the day after the election working together in a bipartisan way with our colleagues to solve the long-term Social Security problem. That is why I am here. I do not want my remarks mischaracterized as some have done this morning on the rule. I want it to be perfectly clear why I oppose the tax cut today using Social Security trust funds, because no one can refute me when I say when the projected surplus over the next five years, that is projected, and look at the world economy and tell me that it may not happen.

The conservative thing for us to do is to bank the surplus of Social Security, reserve it for the future of Social Security, and reserve it for perhaps an economy that may not be as good next year as it is today.

Mr. ARCHER. Mr. Speaker, I yield 5 minutes to the gentleman from Kentucky (Mr. BUNNING), the chairman of the Subcommittee on Social Security.

(Mr. BUNNING asked and was given permission to revise and extend his remarks.)

Mr. BUNNING. I thank the gentleman for yielding time. Mr. Speaker, the Democratic alternative is not a good deal for Social Security. On the face of it, one might think that putting aside $1.6 trillion in excess FICA taxes seems better than the $1.4 trillion the GOP would reserve at 90 percent of the total budget surplus. But the amendment adds risks to Social Security that are totally unnecessary. The Democratic substitute sends all excess FICA reserves and receipts to the Federal Reserve Bank in New York City where the central bankers are to invest them in marketable securities.

□ 1245

The Fed's job is to control inflation and provide market liquidity, not invest Social Security funds. This is not the role of the Federal Reserve and only creates a conflict of interest.

When the Federal Reserve buys securities to keep financial markets steady, what will it do with the FICA receipts? Will the Fed's first priority first be to stabilize markets or getting the best deal for Social Security?

After all, investing FICA funds in marketable securities introduces a new risk, market risk from the changing prices of bonds, from which Social Security, under current Treasury investment practices, is spared. While the Treasury Secretary is ordered in this bill to make up the losses, the trackings of trillions of bonds would be so complex Social Security might not receive what it is due.

The Republican plan avoids all this by using the current investment procedures in special Treasury securities that have no price volatility.

For all the increased risk in complexities to Social Security, the bill still has the same budgetary outcome as current law. The surplus would still be on the Federal books and still considered Federal money available for Federal purposes according to the Congressional Budget Office. And if there is a budget surplus other than FICA receipts, is it the intention of the minority to give a tax break to the working Americans, as this Congress will do tomorrow in the tax bill, or spend it away?

Perhaps, however, the intent of the Democratic proposal is larger than what is written here. Is this the prelude, as some Democrats have proposed, of government bureaucrats investing Social Security funds in the private capital markets?

As my colleagues know, Fed Chairman Greenspan fears the interference of government ownership of American businesses and the financial and competitive penalties this could bring to workers and investors.

Private investment of Social Security funds is something we should debate as part of the Social Security reform, not a tax bill, and I, for one, want to take no step, no matter how innocuous it might seem now, to give government, not individuals, control over such enormous sums of money.

When the President spoke to us about reserving the surplus to save Social Security, I believe he meant all types of excess revenues, not just FICA receipts as in the Democratic bill. Under their amendment, if the surplus gets larger due to the historical rise in individual and business income taxes, not a penny of it will be saved for Social Security. The Republican bill captures every penny of this increase and could actually end up reserving greater amounts than the Democratic plan.

Finally, let us put this in perspective. Under current CBO projections, our bill reserves $1.4 trillion over 11 years, and the Democratic plan, $1.6 trillion. For no change in the bottom line, are we willing to have the system take on more risk, alter the income the funds receive and upset the important financial operations of the Federal Reserve? It is just not worth it.

The Democrat substitute introduces new risk for Social Security that we do not need. It creates uncertainty that we cannot justify. The Republican bill is straightforward, honest and safe. It sets aside $1.4 million to save Social Security, using tried and true methods.

Please stick with the Republican bill.

Mr. RANGEL. Mr. Speaker, I yield 3½ minutes to the gentleman from California (Mr. STARK), a member of the committee.

Mr. STARK. Mr. Speaker, I must say I am confused by some of the discussions here. I had assumed that the Republicans were pushing to privatize Social Security and invest in things like the long-term capital corporation on Wall Street, but they are sending conflicting messages. They have been for Social Security since 1973, but none of them were around when it came into being, voted for it, and now they want to privatize it, and all I have got to do this morning is convince my mother that her Social Security benefits will continue.

Mr. Speaker, the only thing I can tell her is to not vote Republican, because the record of the Republicans has been to dismantle Social Security since 1935 when they opposed it, and they still do.

But the real issue that we are here debating today is how we are going to pay for the tax cut that we are going to debate tomorrow. And the only way that the Republicans could pay for their tax cut that they want to bring up tomorrow is to endanger the Social Security moneys today. They have got to take 10 percent. Let us forget about the 90 percent, and let us assume that is safe. Let us assume that nobody is going to steal that money. But the 10 percent we are talking about is going out for a tax cut.

Now between now and tomorrow, with the way Republicans write bills in secret and pass them out of the Committee on Rules, they could increase that to 20 percent. Would not make any difference how we vote today, unless my colleagues support the substitute of the gentleman from New York who would lock away that money and take it out of the reach of these spending-crazed Republicans who would like to take this money and have a huge tax cut and increase the deficit even further than their 10 percent will do.

So let us try and not confuse the public with whether we are better off having the Federal Reserve buy government bonds, which are indeed supported by Federal Reserve activities so that they are better investments, or whether we should leave them in a lower interest rate account at the Treasury, which has a fixed maturity value. I think that is splitting hairs. The truth is, the Republican plan gives us no protection beyond today. They say they are going to save 90 percent, but there is nothing in their bill that prevents them from changing their mind the very next day and spending 20 percent instead of 10 percent. And there is nothing in their past history of actions that would give us any confidence that that is not exactly what they will do.

So what I am suggesting to my mom is that if she is worried about Social Security is to support the Rangel amendment which will limit the Republicans, at least, to only spending 10 percent for the tax cut that they want tomorrow, unlike the Democrats who would say, ''Let's wait, eat your spinach first, and then get your desert until there is a true surplus, and then we'll all support the tax bill.''

So please support the Rangel substitute so that the seniors can be secure that their old age retirement will be there and that my mother's grandchildren can also be secure in the knowledge that when they pay their taxes out of each paycheck there will be a retirement plan for them as well.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume simply to briefly comment on what some of the previous speakers have said.

Mr. Speaker, I believe that the gentleman from New York (Mr. RANGEL) is making a good-faith attempt to accomplish his purpose. His scheme, as designed in statutory language, will not do it, number one. And, number two, it will take an even greater risk with the very sacred Social Security funds because it will take those payroll taxes dedicated to Social Security and give them to the Federal Reserve, a Federal Reserve bank that is not accountable to the people, that is not accountable to the Congress, and that is a highly risky activity to take with these sacred funds.

Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. WELLER).

Mr. WELLER. Mr. Speaker, I rise in opposition to the Rangel substitute, and I stand here in support of the Protect Social Security Account legislation offered by the gentleman from Texas (Mr. ARCHER) which sets aside $1.4 trillion for Social Security.

This is what this debate really is all about. Today we are asking a pretty basic question: Can we save Social Security and can we eliminate the marriage tax penalty at the same time? The gentleman from New York (Mr. RANGEL) says no; the gentleman from Texas (Mr. ARCHER) says yes, and he has offered a plan.

When I think of Social Security, I think of my mom and dad, I think of my Aunt Mary, my Aunt Eileen, my Uncle Jack, my Uncle Bob, all on Social Security, and when I think of the marriage tax penalty I think of my sister Pat and her husband who, like 28 million married working couples, suffer higher taxes just because they are married, and I think we all agree we

need to do both. We need to save Social Security and eliminate the marriage tax penalty for married working couples.

What is, I think, a great victory about legislation offered by the gentleman from Texas (Mr. ARCHER) is that we are setting aside $1.4 trillion, which is more than twice what President Clinton said we should set aside back in January. The President said we should set aside the $600 billion surplus at that time. Today, we have the opportunity to set aside more than twice what the President called for, $1.4 trillion.

One clear message that I hear back home and that is, let us keep the politics out of Social Security. Let us be honest about it. We need to work together. Republicans and Democrats need to work together. We have an opportunity today to set aside $1.4 trillion to save Social Security. We also have an opportunity tomorrow to eliminate the marriage tax penalty for people like my sister Pat and her husband, 28 million married working couples who are punished under our Tax Code just because they are married.

Let us save Social Security. Let us eliminate the marriage tax penalty. Let us vote yes for Mr. ARCHER today. Let us vote yes for Mr. ARCHER tomorrow. Let us save Social Security. Let us eliminate the marriage tax penalty.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. LEVIN) a member of the committee.

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. LEVIN. Mr. Speaker, Point one:

Let us remember history, where the deficit came from. I heard one of our colleagues on the Committee on Ways and Means talk about it as if it came when the Democrats were running the show.

Most of the deficit occurred in the 1980s when there were Republican Presidents, and we appropriated no more than those Presidents asked for. And the two major deficit reduction bills before last year, in 1990 the majority of Republicans voted no, and in 1993 every single Republican voted no.

Secondly, the emergency argument is pure bootstrap. If it is not an emergency, do not include it within the bill. The Budget Act provides for emergency expenditures. It does not provide for raiding the Social Security fund, and we have to amend the Budget Act in order to do it.

This bill before us is nothing more than an accounting gimmick, a bookkeeping contrivance that does nothing to protect Social Security. I support the Rangel substitute. Our colleagues are in a box on this, so they come up with a phony lockbox. Ours is a real one.

What it does, the Rangel substitute, it takes a hundred percent of the budget surplus each year and transfers it aside to the Federal Reserve Bank to be held in trust for Social Security. But the important point is we should not spend any of the budget surplus until we have first taken action to assure the long-term health of Social Security. Without the surplus in Social Security, there is no budget surplus this year. Without Social Security, the general fund of the Treasury will not post a genuine surplus of any size until 2006.

Look, this bill and its companion tomorrow divert 10 percent of the budget surplus, the Social Security surplus. When it comes to Social Security, my constituents and I think theirs say being a 90 percenter is not good enough.

I urge my colleagues to support the Rangel lockbox substitute. This is the time to make saving Social Security the first, not a second or third priority. We must not divert Social Security funds. Let us fix Social Security and then enact a tax cut for American families.

□ 1300

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume, simply to reiterate what I said earlier. I cannot believe that senior citizens in this country or the Association of Retired Persons could support this Rangel substitute to take greater risk with the sacred funds of the Social Security trust fund and put them in the hands of the Federal Reserve, particularly the Federal Reserve Bank that recently bailed out a losing hedge fund in order to save bankers and in order to try to reduce the threat of that, and used, of course, dollars within their control. This is highly risky. I do not know where it came from, we have not had hearings on it, but I am sure that ARP would not support this.

Mr. Speaker, I yield three minutes to the gentleman from Arizona (Mr. HAYWORTH).

Mr. HAYWORTH. Mr. Speaker, I thank my friend, the chairman of the committee, for yielding me time.

Mr. Speaker, to expound upon the comment just made by the distinguished chairman of the committee, we must rise in strong opposition to the Rangel substitute precisely because of its method of devising a so-called lockbox, because it does nothing to serve as stewards or protectors of Social Security. Oh, no, it gives the consideration to the central bankers. The Federal Reserve Bank of New York City. New York City? Why on earth would we devise this legislative sleight of hand?

We understand the desperation of those on the left. Not only intent on bankrupting the Nation fiscally, they are bankrupt and bereft of ideas. So this extension of the politics of fear is made manifest in the Rangel substitute. You see, Mr. Speaker, the left so mistrusts the American people with their own money that they will devise any scheme to put the government in the way of hard working people and their money.

There is another fatal flaw that we should point out, and I listened with great interest to the revisionist theory of my friend from Michigan who comes down with his tired old recitation of government spending, as if history occurs in a vacuum, about the 1980's, and we did not have our defenses fall into great disrepair and we did not confront a superpower intent on enslaving all the world; as if all that was brushed away with a sleight of hand, as if the world was not a dangerous place and it was not incumbent upon President Reagan and others to provide for the common defense.

But the spending question is very interesting here, because we had no less a personage than the President of the United States come to this chamber and stand in that podium for his State of the Union message and say to us all in sterling rhetoric that we should save every penny for Social Security.

Yet, Mr. Speaker, the facts are these: He has already taken $2.9 billion of that surplus to support a misadventure in Bosnia. Those are the facts. And the simple distinction is this: Do we allow the left, thankfully these days the minority, to continue to stand in the way of the American people and their money, in holding onto a small portion of their money through tax relief, or do we allow them to spend it and put the money in the hands of the central bankers?

Reject the Rangel substitute.

Mr. RANGEL. Mr. Speaker, I yield three minutes to the gentleman from Maryland (Mr. CARDIN), a member of the committee.

(Mr. CARDIN asked and was given permission to revise and extend his remarks.)

Mr. CARDIN. Mr. Speaker, the bill before us has one effect and one effect only, and that is to allow us to vote on the tax cut bill tomorrow. It does not protect Social Security, it sets up an accounting gimmick. We should be honest with the American people as to the purpose of this bill.

There are no guaranteed projected surpluses, yet the tax bill we are going to be asked to vote on provides for permanent changes in our tax laws. There is no assurance that only 10 percent of the projected surplus will be used for a tax cut; it could be 20 percent, it could be 30 percent, it could be 100 percent.

The projected Social Security surplus today, that is, payroll taxes and interest, is about $1.5 trillion. But if you ask our actuaries how much money we should have in it to provide for a 75 year solvency of the Social Security system, they will tell you that we need $3.3 trillion, or twice what we have today. So the assumption that we are flush with money just is not true. We do not have enough money to deal with Social Security in the long term, and yet we are asked to vote on a tax bill.

We are going to have the first balanced budget in 30 years, and yet, as the President said, before we even have

an opportunity to transfer from red ink to black ink on our accounting, there are those who want to start giving money away.

Let us be fiscally responsible. The tax cut that we voted last year was fully paid for under the budget rules. We did not have to waive the budget rules. Yet the bill we are being asked to vote on tomorrow will violate the budget rules and our discipline.

We talk about emergency spending. Emergency spending is not budgeted. One-time-only emergency spending is consistent under our budget rules. Ninety-eight percent of the budget surplus projected during the next 10 years comes as a result of our Social Security system. Let me put it differently. Without the Social Security system, we would not have any budget surplus. We would not be able to consider a tax bill. No one can dispute that.

So let us be honest: If it were not for Social Security, we would not have a budget surplus and we would not be considering a tax bill tomorrow.

This bill claims to protect 90 percent of the funds for Social Security. It does not do that. If we did not pass any bill, 100 percent of the funds would be in the Treasury, preserved, for preserving Social Security first. The Rangel substitute protects 100 percent of the funds until we have resolved the Social Security problem. It is the right bill to vote on.

I urge my colleagues to support the substitute, so that we can really protect Social Security first and use the surplus monies that have been generated as a result of our Social Security system to resolve the problems of Social Security first, before we consider a tax cut.

Mr. ARCHER. Mr. Speaker, I yield two minutes to the gentleman from California (Mr. THOMAS), a member of the Committee on Ways and Means.

(Mr. THOMAS asked and was given permission to revise and extend his remarks.)

Mr. THOMAS. Mr. Speaker, it is always dangerous around here to read legislation that you are looking at, but if you were to look at the substitute that the gentleman from New York is offering, it says on the first page, line 15, ''If the Secretary of the Treasury determines that there is a Social Security surplus for any fiscal year, such Secretary shall transfer''—transfer—''during such year from the general fund of the Treasury an amount equal to the surplus to the Federal Reserve Bank of New York.''

Transfer. If there is a surplus, take the money and transfer it to the Federal Reserve Bank. The Social Security surplus is to be transferred.

I would ask my colleague, the gentleman from New York, if he is going to transfer Social Security surplus monies, and we have been talking about the trust fund involving billions and trillions of dollars in terms of obligations. The Congressional Budget Office, is the facility that we use to estimate the cost of legislation, therefore I would ask the gentleman from New York, does he have a cost estimate of this transfer?

Mr. RANGEL. If the gentleman will yield, I will tell him how this works.

Mr. THOMAS. Mr. Speaker, would the gentleman have a cost estimate? Yes or no? I am asking a question. If the gentleman has a response, I would like to hear it. I have very few seconds left here. Does the gentleman have an estimate, yes or no?

Mr. RANGEL. It does not respond to a yes or no answer.

Mr. THOMAS. It does not respond to a yes or no answer. I will tell the gentleman why, because the Congressional Budget Office said this has no budgetary consequence. It is an intergovernmental transfer. The gentleman's argument is they are saving the Social Security trust fund by shipping off, according to the Treasury's recommendation, an amount equal to the Social Security surplus to New York City to a Federal Reserve Bank, and that they are lockboxing, saving Social Security, removing the money so it cannot be spent and sending it to New York City. And the Congressional Budget Office, the agency we use to determine the costs of these actions, says there is no cost. There is no cost because it is an intergovernmental transfer.

This is hogwash, vote no.

Mr. RANGEL. Mr. Speaker, I yield three minutes to the gentlewoman from Florida (Mrs. THURMAN), a member of the committee.

Mrs. THURMAN. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, a few months ago I actually thought that the Congress was going to address the Social Security shortfall in a bipartisan manner. Well, I guess we are not going to see that. I want to tell you that when I came to Congress, I told my constituents that I was going to put our house in order by reducing the deficit, providing tax relief and saving Social Security.

Well, guess what? We have reduced the deficit, and, last year, we gave tax relief, $95 billion over five years. And do you know what? We gave tax relief that we paid for, the right way, without using the surplus.

In my six years, I have rarely seen a bill so inaccurately titled, ''Protect Social Security Account Bill.'' Let us get something absolutely straight: What they intend to do is take 10 percent of the total budget surplus, which is nearly all due to the contributions that American workers have invested in Social Security, and use it to fund tax cuts. In return, they will reserve 90 percent of the budget surplus.

This is simply irresponsible. Congress does not own the trust fund. The American people, who have paid the taxes into the trust fund, own the trust fund, all of it. Not 90 percent, not 95 percent, not 99 percent, the American people own 100 percent of it. So when you tell the American people that you propose to reserve 90 percent of the surplus, you are in fact robbing them. That is wrong.

I and my democratic colleagues have committed to save Social Security first. We believe that reserving the entire budget surplus until we have resolved the shortfall will have positive results for the entire economy, far outweighing any election year tax cuts.

Let me remind my colleagues: March 5th, before the Committee on the Budget, be cautious about spending it, Greenspan said, adding that the best way to ensure continued economic expansion would be to put the Federal budget into ''significant surplus.'' Doing so, he said, would encourage better saving habits among Americans. Greater savings would promote lower interest rates for borrowers and spur productivity, enhancing investments by business.

Think what that would mean for working Americans who have mortgages, credit card bills and college loans. And to my friends with farmers, certainly they would appreciate that.

Mr. Speaker, the old tax-and-spend days are over. I have not been here for 40 years. This is a new Congress. By supporting the Rangel substitute we can finish a process we started in 1993 and uphold our commitment to the American people.

My constituents have told me time and again, take Social Security off budget. Quit spending the Social Security surplus. The Rangel substitute would save Social Security by setting aside 100 percent of the trust fund. Let us vote for the Rangel substitute.

Mr. ARCHER. Mr. Speaker, I yield one minute the gentleman from Alabama (Mr. CALLAHAN), the respected chairman of the Subcommittee on Foreign Operations, Export Financing and Related Programs of the Committee on Appropriations.

(Mr. CALLAHAN asked and was given permission to revise and extend his remarks.)

Mr. CALLAHAN. Mr. Speaker, for the benefit of our television audience and the people in the gallery, we are not today going to convince a single Member of Congress of the rights or wrong or merits or demerits of this issue. But keep in mind, I have something that I think both sides will agree with, which we need some bipartisan agreement on here.

□ 1315

The American people watching this today, and especially senior citizens, are going to be deluged in the next couple of weeks with letters from organizations here in Washington and outside Washington telling them that Social Security is endangered, and it is going to be filled with a lot of misinformation.

The bottom line, usually the postscript, is going to say, send $15 or $25 or $50, and let us save Social Security. We in Congress will work on Social Security. It will be saved. It will be solvent,

but there is no need for anyone listening to send one dime to any organization in order to save Social Security. Rely on your Member of Congress.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Florida (Mrs. MEEK).

Ms. MEEK of Florida. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in strong support of the Rangel substitute. I am a senior citizen. I am speaking on behalf of those who come after me, those who will not have the opportunity to share in the resources of the Social Security Act.

When I came to Congress, I served on the Committee on the Budget under the gentleman from Ohio (Mr. KASICH). We talked about the budget agreement. There is a budget agreement. So what the Republicans are doing, Mr. Speaker, they are breaking their promise to the American public. The American people do not like broken promises. They have heard them too many times.

Social Security is extremely important to all of us. It is extremely important to senior citizens. When Members go back to their districts and walk the byways and trailways of this country, every American will tell us, leave Social Security alone. What this Rangel substitute does is it puts it aside so we as politicians can leave it alone for a while and leave it there, where it purports to be from the very beginning.

By their actions, it appears to me that over the years, and I have been here longer than a lot of people, the Republicans do not seem to like Social Security. They have used every kind of methodology to make it look remiss. They have tried their very best to show that it is failing and it should be put aside, or to privatize it.

I am here to say to the American public, on behalf of this country, let us stick to our word. This bill is too risky. It takes too many promises that they cannot submit. Some of us may not even be here when this comes up. I say, take the Rangel substitute and turn down the Archer.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from South Carolina (Mr. SANFORD).

Mr. SANFORD. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I admire the intention of my colleague, the gentleman from New York (Mr. RANGEL) on this proposal, but I would respectfully ask that my colleagues reject it. I would say that for four different reasons.

I would say, first of all, that the notion here is that this time it will be different. How many times have we heard that in Washington, D.C., this time it will be different? In other words, what we have been doing in Washington is borrowing against trust fund balances for the last 30 years, and what is proposed with this super-duper trust fund, if you will, is that this time it will be different. What people back home tell me is that they do not buy into the idea that this time things will be different.

Two, I think it offers false hope. If we look at what the trustees have said, the trustees would say, whether this proposal went through or not, Social Security would begin to run shortfalls in about 15 years, and it would be out of money, unable to pay its obligations, in about 30 years. That would not change with this.

Thirdly, I would say that it moves us in the wrong direction. We are going to go in one of two directions in this debate, over the long run, on Social Security. We are going to either move towards greater personal control of one's savings, which I think is the real way we keep politicians' hands off our money, or we are going to move toward collective investment.

I think there is nothing more dangerous than the idea of collective investment. This sets up the mechanism for collective investment, wherein $400 billion a year could go into the private sector. What people back home who care about limiting the size and scope of government tell me is that that is not a good idea.

For these reasons I would ask that we reject the Rangel proposal.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Speaker, I thank the gentleman from New York for yielding time to me.

Mr. Speaker, Social Security is one of our Nation's greatest success stories. It really is financial bedrock for our country's elderly, for hardworking American families who want to retire with some peace of mind. I think it is important to note that two-thirds of our seniors depend on Social Security for more than half of their retirement income. But in fact, Social Security is under attack. This bill would raid Social Security to pay for a tax bill.

I believe in tax cuts. Too many parents today sit at their kitchen tables trying to figure out how to pay their bills. They are raising their children, they are working harder to making ends meet. I also believe when they sit there that they have a certain relief knowing that Social Security will be there when they retire. The American public overwhelmingly wants to make sure that the Social Security trust fund is there to pay for Social Security and nothing else, not tax cuts today that jeopardize Social Security tomorrow.

Do not take my word for it. Martha Phillips, with the conservative Concord Coalition: ''Policymakers who are lining up to spend those so-called budget surpluses should keep in mind that the money they are talking about consists entirely of Social Security's annual trust fund surpluses.''

Steve Moore of the Cato Institute, another conservative organization: ''The solution is simple: Formally wall off Social Security from the rest of the budget to prevent continued thievery from the trust fund.''

Vote for the Rangel tax cut proposal. It says, let us not raid Social Security to pay for tax cuts. We can have our tax cuts when Social Security is safe and secure for the future.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Speaker, if I robbed a bank of 10 percent of its cash or its revenues, I seriously doubt the police and judge would accept my excuse that, Officer, Judge, I was really trying to save the bank. Yet, incredibly, that is what my Republican colleagues are doing today. They are saying, we just want to take 10 percent out of Social Security taxes that should be used to protect Social Security, and use that money for election-year promises and gimmicks.

Mr. Speaker, a judge would never believe my excuse as a bank robber. I do not think the American senior citizens are going to believe this explanation of the bill today. The fact is, the American people will have to choose today, who do they trust better to protect Social Security, Democrats or Republicans.

In my brief time, I would only point out that the number two ranking Republican leader in this House, the gentleman from Texas (Mr. ARMEY), said on September 28 of 1994, ''I would never have created Social Security.''

I think the American people will answer the question today. That answer will be, resoundingly, we trust the Democrats to protect our Social Security retirement.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would simply say, in response to the gentleman who just spoke, it is a good question, whom will senior citizens trust, the Treasury of the United States or the Federal Reserve Bank of New York?

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Speaker, on the issue before us, this Congress stands at a very important crossroads: Do we go down the easy path of dissipating the Social Security surplus on election year gimmicks like this proposed tax cut, or do we brace ourselves for the tough march that lies ahead to secure Social Security, to address the long-term solvency problem in Social Security so it will work as well for our grandchildren as it has worked for our parents and grandparents? It is a critical question.

Dissipating Social Security trust funds makes our problem worse. We already have bills before this session that would require someone to work until they are 70 years old before they would get their Social Security payment, or that would raise the tax on Social Security, making wage-earners pay even more into Social Security. Both of these measures are to fill the solvency hole we already have.

Mr. Speaker, a tax cut on the Social Security surplus would only make the problem worse. The question before us is one most of us have never faced before, the first surplus we have seen in 30 years. Let us hold the Social Security surplus for Social Security. Pass the Rangel substitute.

Mr. RANGEL. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Texas (Ms. JACKSON-LEE).

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, in order to save Social Security and instill trust, I rise to support the Rangel amendment.

Mr. Speaker, I strongly support the Democratic amendment. Only by transferring 100% of any Social Security Trust Fund surpluses to the Federal Reserve Bank of New York, can we look our constituents in the eye and say, ''Yes, you can trust in us. We have protected your future, your children's future, and your grandchildren's future.''

The Republican bill appears to save 90% of the budget surplus, leaving 10% to Congressional discretion. Although this figure seems fair at first, I do not believe that we should have the discretion to use 1% of our citizens' futures, much less 10%.

I fear that stealing 10% from the Social Security will create a dangerous precedent. What will stop Congress from taking out a higher percentage of the surplus in subsequent years? I may be 10% this year, but it could be 50% within two or three years. We should not give Congress free reign over this money.

Worse yet, it does not appear that the Republican plan protects the remaining 90% of the budget surplus. Unlike the Democratic amendment that places the surpluses in the Federal Reserve Bank of New York, the Republican bill does not ensure that the Social Security surplus is off-budget. In other words, Congress may still choose to delve into these funds when the next election comes around. This approach is simply unfair to the American public, and it deceives our citizens into thinking that their futures are secure.

We must put these funds in a lock box where political maneuvering cannot reach them. By placing 100% of the surplus in the Federal Reserve Bank of New York, the Democratic amendment would properly lock away this valuable resource.

Moreover, the Republican measure relies upon the spending of $200 billion of the surplus, money that may not exist. As recently as last month, we did not have a surplus. The Republicans rely solely upon a projected surplus, and the Republicans even admit that their projections may be erroneous. Our constituents, our citizens, deserve better treatment than this. What kind of message do we send when we attempt to spend what we do not have?

Even if we had a surplus, who are we to spend this money? It is not for us; it is for our retiring citizens. The money found in the surplus comes from payroll contributions. The money should be returned to the people who originally invested it.

The Republican measure endangers the future of Social Security itself, not just the people who rely upon this fund. It is well-known that Social Security will face a fiscal crisis early in the next century as the baby boomer generation retires. Too many of our citizens drink from this well, and the Republican bill would allow politicians to spill this precious resource, drying up the sole reservoir for those who truly need it.

Please do not think that I am against tax cuts. I strongly favor ''fiscally responsible'' tax relief. Democrats have proposed and voted for many tax cuts this year. The bipartisan 1997 Tax Cut bill included almost $300 billion in tax cuts over a ten-year period, and many democrats support even greater tax relief for the middle-class than was contemplated by that bill.

I just believe that tax cuts should be based upon sound reasoning. Haphazard legislation such as the Republican bill simply does not fulfill this notion of fiscally responsible tax relief.

Instead, I strongly support sounder approaches such as this Democratic amendment. I also support approaches such as the Democratic amendment to H.R. 4579 that delays tax cuts until we know for sure that the Social Security Trust fund will be available to our citizens for years to come. This idea is the true embodiment of fiscally responsible tax relief.

I urge my colleagues to vote for this amendment. It is the only way we can ensure that our American citizens have a financial future as they reach their golden years.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey, Mr. MENENDEZ.

(Mr. MENENDEZ asked and was given permission to revise and extend his remarks.)

Mr. MENENDEZ. Mr. Speaker, I heard a Republican colleague earlier defend the Republican bill by saying, ''in this case, less is more.'' Only in Washington would someone say ''less is more'' with a straight face, that less protection is more security. But I am glad that at least we have one Republican on the record who admits that their bill in fact does less. It does less to protect Social Security, it does less to protect our seniors, and it puts aside less of the surplus. Less in this case is not more.

The Democratic bill saves 100 percent of the budget surplus for Social Security, because seniors put 100 percent into their contributions over years and years of work. They did not put 90 percent in, they did not put 95 percent in, they put 100 percent in. That is what we should protect, not a penny less.

Republicans should be ashamed to come down here to the floor and convince seniors that less is more. Our seniors know that less is not more, that less protection is not more security. They know who is on their side. They know it is the Democratic plan. Let us pass the Rangel substitute.

Mr. RANGEL. Mr. Speaker, I yield ½ minute to the gentlewoman from North Carolina (Mrs. CLAYTON).

(Mrs. CLAYTON asked and was given permission to revise and extend her remarks.)

Mrs. CLAYTON. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, Social Security is the most important program that we have that is working. It makes the difference between the elderly living in poverty, and to convince them that taking 10 percent of their safety net, that they are helping them, they do not buy that.

I would say to the Members, if they really want to help Social Security, they would put 100 percent in. Support the Rangel substitute. That is the only way we can convince the American seniors that we are sincere.

Mr. RANGEL. Mr. Speaker, I yield the balance of our time to the gentleman from California (Mr. FAZIO).

The SPEAKER pro tempore (Mr. THORNBERRY). The gentleman from California (Mr. FAZIO) is recognized for 1 minute.

Mr. FAZIO of California. Mr. Speaker, as we look to the next Congress, the one that will fix the Social Security system for the out years, the baby boomers, we need to maintain every dime we can so that we do not end up forcing people to work longer or live longer to benefit from the same Social Security system that those that preceded them have.

We also need to think about this election year tax cut in another context. The average working family, paying the most regressive tax on income that we have, the FICA tax, would be, in effect, asked to take their taxes and transfer them to the proposed beneficiaries of this Republican election year tax cut. We are therefore asking our working families to take their hard-earned dollars to provide tax breaks for others.

However valuable they may be, however worthy they may be, those tax breaks must wait for the day when we have a surplus in the general fund, and that, Mr. Speaker, is 5 or 6 years away. To go for the cotton candy of a tax cut in an election year out of the hides of working American families is unconscionable.

This Congress should support the Rangel substitute and avoid doing it.

Mr. Speaker, this Republican misses the point of what Americans really want.

We do not want to take money out of the Social Security Trust Fund for purposes other than Social Security.

The American people pay Social Security taxes and expect that money to go to Social Security.

Democrats believe that any future surplus should go to insuring the solvency of Social Security.

So, why now are we specifying that only 90% of any surplus should go to saving Social Security and 10% can go elsewhere?

Let's look at numbers.

If in fiscal year 1999 we have an $80 billion Social Security Trust Fund surplus and a $37 billion general fund deficit, why should $8 billion of the surplus for that year go somewhere other than to Social Security?

Over the next 10 years, we'll need over $1.55 trillion to pay the future beneficiaries of the Social Security system—the elderly; the children, widows and widowers receiving survivor benefits; and the disabled—not prop up our budget.

We need all 100%—not just 90%—of future budget surpluses to ensure that this anti-poverty program continues beyond 2032.

Let's be fiscally responsible and use the Social Security Trust Fund for who it was intended—the elderly, disabled and children—not to provide tax cuts.

□ 1330

Mr. ARCHER. Mr. Speaker, I yield the balance of my time to the gentleman from Georgia (Mr. GINGRICH), the Speaker of the House of Representatives.

Mr. GINGRICH. Mr. Speaker, I thank the gentleman from Texas (Chairman ARCHER), my friend, for yielding me this time.

Mr. Speaker, I must say, during the time I was on the floor, I listened to a series of Members with amazement. The distinguished gentleman from New York (Mr. RANGEL), the ranking member on the Committee on Ways and Means, had an opportunity recently to vote on the question of spending part of the surplus, and he voted ''yes.'' He would spend part of the surplus. This is House vote number 430 on September 15. He voted to spend part of the surplus, but it was on government, not the taxpayers.

The gentleman from California who just spoke had a chance to vote on that day. He voted ''yes'' to spend part of the surplus, but it was on government, not the taxpayers.

I will say the gentlewoman from North Carolina (Mrs. CLAYTON) did not vote ''yes.'' She did not happen to vote that particular day. But the gentlewoman from Texas (Ms. JACKSON-LEE) voted ''yes'' to spend part of the surplus, but on government, not on the taxpayers.

The gentleman from New Jersey (Mr. MENENDEZ), who spoke a few minutes ago, voted ''yes'' to spend part of the surplus, but on government, not on the taxpayers. And the gentlewoman from Connecticut (Ms. DELAURO) who spoke voted ''yes'' to spend part of the surplus, but on government, not on the taxpayer.

Every person but one who just finished this debate on the other side voted to spend part of the surplus on September 15 on government.

The Clinton administration has sent up a proposal, in between fund-raising trips, and they sent up a proposal that said, spend money on Bosnia, but not the taxpayers. They said, spend money for the government to fix Y2K, but do not let the taxpayers have money to fix their own commuters. They said, spend money on Africa, but not the taxpayers.

Again and again and again the liberal Democrats get up, and I will bet that between now and the time we leave there are several votes where liberal Democrats vote ''yes'' to government spending out of the surplus, because if it is government money, that is okay. But now this idea of letting the taxpayers have some of that, that is dangerous. Then they would not be dependent on government. Then power would not be in Washington. Then they would not need the bureaucrats.

Now, they raise this phony issue about Social Security. And it is phony on three grounds. It is phony, first of all, because the fact is we are setting aside more money for Social Security than the President requested in January. Now, that is a fact and the gentleman knows it. The gentleman knows when the President stood up here in January he was talking about a surplus whose total was around $650 billion. This proposal sets aside more money, 60 percent more money, than the President requested.

Second, the gentleman knows that when asked as a result of the tax bill being considered by the committee today, will there be any impact on the monies in the Social Security trust fund, the Clinton administration's Deputy Commissioner for Social Security said, ''no,'' there is no impact to the trust fund from this particular vote.

But the other part I have to say to my good friend, to suggest, as his substitute does, that instead of keeping the money in the U.S. Treasury we send it to the New York Federal Reserve Bank, I just had the numbers run on the last great crisis in the price of treasuries which was 1973. Over the period we are considering, we would put $750 billion in the New York Reserve Bank. That money would be of a floating value of the nature of money held in the New York Reserve Bank.

In the 1973 oil crisis, U.S. treasuries declined 20 percent in value. That would be $150 billion lost in the value of the notes held by the New York Federal Reserve Bank. So, I cannot believe my good friend from New York really wants to risk losing $150 billion in Social Security value by putting this money in notes that would have a floating value.

So, I would understand if at some point before we get to a vote the gentleman wants to withdraw his substitute. Because I cannot imagine that he wants his colleagues to vote for a proposal to put at risk all of the excess FICA tax money by putting it in notes that would be of a floating value.

Mr. RANGEL. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from New York briefly.

Mr. RANGEL. Mr. Speaker, because these Treasury notes, these notes that will be in the Federal Reserve are always redeemable, they are not at risk. And if they ever became at risk in the Federal Reserve Bank, it would mean the Republic would be bankrupt.

Mr. GINGRICH. Mr. Speaker, reclaiming my time, let me say to the gentleman from New York, and I am not the expert that he is on much of this, but I am assured by the experts, and I am sure later if he would like to check with the folks that the gentleman from Texas (Mr. ARCHER) has assembled on this, there is a big difference between the New York Reserve Bank holding the notes where they do change and fluctuate in value and the rest of the system.

Mr. Speaker, let me just wrap up for a minute. Let me just say we have a surplus because we have consistently worked through welfare reform, through controlling spending, through cutting taxes, to encourage economic growth.

We have proposed to set aside over a trillion dollars. My good friends on the left in the 40 years they were in charge of the House set aside zero. Let me make it clear. All of our good friends who are complaining today, during the 40 years they were in charge set aside zero for Social Security.

We are setting aside today over a trillion dollars, 60 percent more than President Clinton asked for in January. And we are setting it aside in the safest possible Treasury notes held by the U.S. Treasury, not put at risk in New York City.

My other point is very straightforward. All of our friends on the left are going to vote to spend part of the surplus on government. All of our friends on the left but one of those who voted on September 15, all but one voted to spend money on government out of the surplus.

The only time they start to yell about the surplus is if the money is going back to the taxpayer, because from their standpoint that is dangerous since that means the money is not available for bureaucracy.

Let me note what the bill offered by the gentleman from Texas (Chairman ARCHER) does. It begins to phase out the marriage tax, so we are not punishing people when they get married. It accelerates lifting the amounts Americans can earn over the age of 65 without being punished, so we are not punishing senior citizens.

It goes immediately to a million dollar exclusion for the death tax to save family farms and small businesses. It has a savings proposal that helps 10 million senior citizens by eliminating the tax on the first $200 of interest and dividends.

It allows small business owners who are self-employed to buy health insurance with the same tax break as big corporations, which helps people buy health insurance and helps children have health coverage. And, finally, it eliminates the Federal tax on local school boards, so local school boards have $1.4 billion more for local school construction, something my good friend from New York has said he favors. Here is a chance to have those local school boards have $1.4 billion more at home to build schools without any new Federal bureaucrat, any new Federal red tape, any new Federal regulation.

Mr. Speaker, these are the kinds of positive tax cuts that help the American family, help senior citizens, help farmers, help small businesses and help local schools. It is done within a framework based on welfare reform, controlling spending and economic growth

through tax cuts that has allowed us in 3½ years to move from a projected $3,100 trillion deficit to a projected $1.6 trillion surplus.

We can say to the American people for the first time in their lifetime that we are prepared to set real money aside from a real surplus. None of our Democratic friends who are complaining can say that. We are simply saying to the Democrats, if they vote against the taxpayer having the surplus, then they ought to vote against the government having the surplus. But it is wrong to increase spending on Bosnia, to increase spending in Africa, to increase spending on government commuters, to increase spending on government programs, and then say to the taxpayer that they are not good enough to get their own money back. We need to keep it in Washington for the Washington bureaucrats.

Mr. Speaker, I urge my colleagues to vote against the substitute, vote in favor of protecting Social Security in a real way by setting aside over a trillion dollars in the surplus.

The SPEAKER pro tempore. The question is on the amendment in the nature of a substitute offered by the gentleman from New York (Mr. RANGEL).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. RANGEL. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 210, noes 216, not voting 9, as follows:

[Roll No. 463]

AYES—210

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Capps
Cardin
Carson
Chenoweth
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Emerson
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Forbes
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gonzalez
Goode
Gordon
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Mollohan
Moran (VA)
Murtha
Nadler
Neal
Neumann
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pickett
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sanchez
Sanders
Sandlin
Sawyer
Schumer
Scott
Serrano
Sherman
Sisisky
Skaggs
Skelton
Slaughter
Smith (MI)
Smith, Adam
Smith, Linda
Snyder
Spratt
Stabenow
Stark
Stenholm
Stokes
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson
Thurman
Tierney
Torres
Towns
Traficant
Turner
Velazquez
Vento
Visclosky
Watt (NC)
Waxman
Wexler
Weygand
White
Wise
Woolsey
Wynn

NOES—216

Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Bunning
Burr
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Christensen
Coble
Coburn
Collins
Combest
Cook
Cooksey
Crane
Crapo
Cubin
Cunningham
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
English
Ensign
Everett
Ewing
Fawell
Foley
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Graham
Granger
Greenwood
Gutknecht
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Livingston
LoBiondo
Lucas
Manzullo
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Oxley
Packard
Pappas
Parker
Paul
Paxon
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Quinn
Radanovich
Ramstad
Redmond
Regula
Riggs
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Sabo
Salmon
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Skeen
Smith (NJ)
Smith (OR)
Smith (TX)
Snowbarger
Solomon
Souder
Spence
Stearns
Stump
Sununu
Talent
Tauzin
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOT VOTING—9

Burton
Cox
Goss
Kennelly
Linder
Moakley
Pryce (OH)
Waters
Yates

□ 1359

The Clerk announced the following pair:

On this vote:

Mr. Moakley for, with Mr. Burton of Indiana against.

Mr. REDMOND and Mr. WAMP changed their vote from ''aye'' to ''no.''

Messrs. DIXON, MATSUI and SHERMAN changed their vote from ''no'' to ''aye.''

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. THORNBERRY). Pursuant to House Resolution 552, the previous question is ordered on the bill, as amended.

The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. RANGEL. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 240, noes 188, not voting 7, as follows:

[Roll No 464]

AYES—240

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bishop
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Boswell
Brady (TX)
Bryant
Bunning
Burr
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Chabot
Chambliss
Chenoweth
Christensen
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Cox
Cramer
Crane
Crapo
Cubin
Cunningham
Danner
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Foley
Forbes
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Goode
Goodlatte
Goodling
Gordon
Graham
Granger
Greenwood
Gutknecht
Hall (TX)
Hansen
Harman
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Hooley
Horn
Hostettler
Houghton
Hulshof
Hunter

Hutchinson
Hyde
Inglis
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lucas
Maloney (CT)
Manzullo
McCarthy (NY)
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Moran (KS)
Myrick
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oxley
Packard
Pappas
Parker
Paul
Paxon
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Quinn
Radanovich
Ramstad
Redmond
Regula
Riggs
Riley
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Salmon
Sandlin
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Stearns
Stump
Sununu
Talent
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Turner
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOES—188

Abercrombie
Ackerman
Allen
Andrews
Baesler
Baldacci
Barrett (WI)
Becerra
Bentsen
Berman
Berry
Blagojevich
Blumenauer
Bonior
Borski
Boucher
Boyd
Brady (PA)
Brown (CA)
Brown (FL)
Cardin
Carson
Castle
Clay
Clayton
Clement
Clyburn
Conyers
Costello
Coyne
Cummings
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gonzalez
Green
Gutierrez
Hall (OH)
Hamilton
Hastings (FL)
Hefner
Hill
Hilliard
Hinchey
Hinojosa
Holden
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
LaHood
Lampson
Lantos
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McDermott
McGovern
McHale
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Mollohan
Moran (VA)
Morella
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pickett
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sanford
Sawyer
Schumer
Scott
Serrano
Sisisky
Skaggs
Skelton
Slaughter
Smith, Adam
Snyder
Spratt
Stabenow
Stark
Stenholm
Stokes
Strickland
Stupak
Tanner
Thompson
Thurman
Tierney
Torres
Towns
Traficant
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Wexler
Weygand
Wise
Woolsey
Wynn

NOT VOTING—7

Brown (OH)
Burton
Goss
Kennelly
Moakley
Pryce (OH)
Yates

□ 1420

The Clerk announced the following pair:

On this vote:

Mr. Burton of Indiana for, with Mr. Moakley against.

Mrs. BONO changed her vote from ''no'' to ''aye.''

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 2621, RECIPROCAL TRADE AGREEMENT AUTHORITIES ACT OF 1997

Mr. DREIER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 553 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 553

Resolved, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 2621) to extend trade authorities procedures with respect to reciprocal trade agreements, and for other purposes. The bill shall be considered as read for amendment. The amendment in the nature of a substitute recommended by the Committee on Ways and Means now printed in the bill, modified by the amendments printed in the report of the Committee on Rules accompanying this resolution, shall be considered as adopted. All points of order against the bill, as amended, are waived. The previous question shall be considered as ordered on the bill, as amended, to final passage without intervening motion except: (1) two hours of debate on the bill, as amended, which shall be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; and (2) one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. THORNBERRY). The gentleman from California (Mr. DREIER) is recognized for 1 hour.

Mr. DREIER. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Dallas, Texas (Mr. FROST), and pending that I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

(Mr. DREIER asked and was given permission to revise and extend his remarks and include extraneous material.)

Mr. DREIER. Mr. Speaker, the global economy is a reality. One of the facts of American life in 1998 is that those of us who are here are all impacted by economic conditions that are out there, out in the big wide world.

Singapore and Moscow may seem a long way from a kitchen table in Temple City, California, but when the couple sitting around it see their retirement savings hurt, when stock markets start falling in Asia, it hits very close to home. Sao Paulo or South Africa may be on the other side of the world from Peoria, Illinois, but when we cannot ship tractors from here to there cheaper then they can be built over there, workers in America's heartland get hurt. Geneva, Switzerland, may seem a long way from Topeka, Kansas, but if the United States is not able to lead the World Trade Organization negotiations on agriculture when they start next year because the U.S. Trade Representative is not armed with fast track, family farmers are going to see their livelihood damaged.

Finally, working families in every town in America enjoy the best selection of products at the very best prices giving them the highest standard of living possible because we trade freely with people across the globe. That fact is at the heart of why the American economy works.

This rule makes in order H.R. 2621, fast track legislation reported last year by the Committee on Ways and Means with very strong bipartisan support. As has been the case in past years, this is a closed rule. It provides for 2 hours of general debate divided equally between the chairman and ranking member of the Committee on Ways and Means. The rule provides that the amendment in the nature of a substitute recommended by the Committee on Ways and Means now printed in the bill modified by the amendments printed in the report of the Committee on Rules accompanying this resolution shall be considered as adopted. The rule waives all points of order against the bill, as amended, and provides for one motion to recommit with or without instructions.

Now, Mr. Speaker, American families cannot afford for the President and the Congress to hide from trade policy. This debate is about the future. Will America lead the global economy into the 21st century, or will we sit and wait to see what kind of rules, trade rules, that the French, Australian, Brazilian and Indian negotiators think up?

Debating trade policy is never easy in this House, the greatest institution of democracy the world has ever known. Election day is always too close. Divisions between interest groups are always too deep. Emotions from people who believe trade has done them wrong are always running too high.

Well, today, Mr. Speaker, is the day to step up to the plate. I believe that when America leads Americans win. If we continue to lead the international economy, we have the best chance to control our destiny and bring about a future of hope and prosperity.